

The Ontario Securities Commission

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices		<u>SCHEDULED OSC HEARINGS</u>	
1.1.1	Current Proceedings Before The Ontario Securities Commission	January 8, 2008	Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson
	JANUARY 4, 2008	2:30 p.m.	s. 127
	CURRENT PROCEEDINGS		J. Superina in attendance for Staff
	BEFORE		Panel: LER/MCH
	ONTARIO SECURITIES COMMISSION		
	-----	January 11, 2008	Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breaux, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky
Unless otherwise indicated in the date column, all hearings will take place at the following location:		10:00 a.m.	s. 127 and 127.1
The Harry S. Bray Hearing Room Ontario Securities Commission Cadillac Fairview Tower Suite 1700, Box 55 20 Queen Street West Toronto, Ontario M5H 3S8			Y. Chisholm in attendance for Staff
Telephone: 416-597-0681 Telecopier: 416-593-8348			Panel: WSW/DLK
CDS	TDX 76		Jose Castaneda
Late Mail depository on the 19 th Floor until 6:00 p.m.		January 16, 2008	s. 127 and 127.1
	-----	10:00 a.m.	H. Craig in attendance for Staff
	<u>THE COMMISSIONERS</u>		Panel: WSW/ST
W. David Wilson, Chair	— WDW	January 18, 2008	Swift Trade Inc. and Peter Beck
James E. A. Turner, Vice Chair	— JEAT	10:00 a.m.	s. 127
Lawrence E. Ritchie, Vice Chair	— LER		S. Horgan in attendance for Staff
Paul K. Bates	— PKB		Panel: TBA
Harold P. Hands	— HPH		
Margot C. Howard	— MCH		
Kevin J. Kelly	— KJK		
David L. Knight, FCA	— DLK		
Patrick J. LeSage	— PJL		
Carol S. Perry	— CSP		
Robert L. Shirriff, Q.C.	— RLS		
Suresh Thakrar, FIBC	— ST		
Wendell S. Wigle, Q.C.	— WSW		

January 22, 2008 2:30 p.m.	Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung, Christine Pan, Gurdip Singh Gahunia s. 127 S. Horgan in attendance for Staff Panel: JEAT	February 22, 2008 10:00 a.m.	Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony s. 127 and 127.1 H. Craig in attendance for Staff Panel: JEAT
January 22, 2008 3:00 p.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 J. S. Angus in attendance for Staff Panel: JEAT/ST	March 4, 2008 2:30 p.m.	Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Wi-Fi Framework Corporation, Bryan Bowles, Steven Johnson, Frank R. Kaplan and George Sutton s. 127 C. Price in attendance for Staff Panel: TBA
January 31, 2008 10:00 a.m.	MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric s. 127 & 127(1) D. Ferris in attendance for Staff Panel: JEAT	March 25, 2008 10:00 a.m.	XI Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith s. 127 M. Vaillancourt in attendance for Staff Panel: TBA
February 13, 2008 10:00 a.m.	FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun s. 127 M. Mackewn in attendance for Staff Panel: RLS/ST	March 25, 2008 10:00 a.m.	Xiiva Holdings Inc. carrying on Business as Xiiva Holdigns Inc., XI Energy Company, XI Energy and XI Biofuels s. 127(1) & 127(5) M. Vaillancourt in attendance for Staff Panel: JEAT
February 15, 2008 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: PJJ/ST	March 28, 2008 11:00 a.m.	Saxon Financial Services, Saxon Consultants, Ltd., International Monetary Services, FXBridge Technology, Meisner Corporation, Merchant Capital Markets, S.A., Merchant Capital Markets, MerchantMarx et al s. 127(1) & (5) S. Horgan in attendance for Staff Panel: JEAT/CSP

March 31, 2008 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	May 27, 2008 2:30 p.m.	Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breau, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: WSW/DLK
April 2, 2008 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 24, 2008 2:30 p.m.	David Watson, Nathan Rogers, Amy Giles, John Sparrow, Leasesmart, Inc., Advanced Growing Systems, Inc., The Bighub.com, Inc., Pharm Control Ltd., Universal Seismic Associates Inc., Pocketop Corporation, Asia Telecom Ltd., International Energy Ltd., Cambridge Resources Corporation, Nutrione Corporation and Select American Transfer Co. s. 127 and 127.1 P. Foy in attendance for Staff Panel: TBA
April 7, 2008 2:30 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: TBA	July 14, 2008 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
May 5, 2008 10:00 a.m.	John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir S. 127 & 127.1 I. Smith in attendance for Staff Panel: TBA	November 3, 2008 10:00 a.m.	Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited s. 127 E. Cole in attendance for Staff Panel: TBA
May 5, 2008 10:00 a.m.	Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas s.127 P. Foy in attendance for Staff Panel: WSW/DLK		

TBA	Yama Abdullah Yaqeen	<u>ADJOURNED SINE DIE</u>
	s. 8(2)	Global Privacy Management Trust and Robert Cranston
	J. Superina in attendance for Staff	Andrew Keith Lech
	Panel: TBA	S. B. McLaughlin
TBA	Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell	Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol
	s. 127	Andrew Stuart Netherwood Rankin
	J. Waechter in attendance for Staff	Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg
	Panel: TBA	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
TBA	Frank Dunn, Douglas Beatty, Michael Gollogly	Euston Capital Corporation and George Schwartz
	s.127	Al-Tar Energy Corp., Alberta Energy Corp., Eric O'Brien, Bill Daniels, Bill Jakes, John Andrews, Julian Sylvester, Michael N. Whale, James S. Lushington, Ian W. Small, Tim Burton and Jim Hennesy
	K. Daniels in attendance for Staff	
	Panel: TBA	
TBA	Shane Suman and Monie Rahman	
	s. 127 & 127(1)	
	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: JEAT/ST	
TBA	Stanton De Freitas	
	s. 127 and 127.1	
	P. Foy in attendance for Staff	
	Panel: JEAT/ST	
TBA	Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans	
	s. 127 & 127(1)	
	J. Corelli in attendance for Staff	
	Panel: WSW/DLK/KJK	

1.1.2 Notice of Commission Approval – Material Amendments to CDS Procedures Relating to Tax Breakdown Service Procedures

CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

MATERIAL AMENDMENTS TO CDS PROCEDURES

TAX BREAKDOWN SERVICE PROCEDURES

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on December 19, 2007, amendments filed by CDS to its procedures relating to tax breakdown service (TBS). The objective of the amendments is to allow CDS Participants to subscribe to an enhanced version of the TBS through CDS. TBS provides tax breakdown information on distributions made by mutual fund trusts, mutual fund corporations and limited partnerships to be reported on tax information slips. A copy and description of these amendments were published for comment on October 26, 2007 at (2007) 30 OSCB 9035. No comment letters were received.

1.1.3 Notice of Commission Approval – Material Amendments to CDS Procedures Relating to Dividend Eligibility Reporting Service Procedures

CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

MATERIAL AMENDMENTS TO CDS PROCEDURES

DIVIDEND ELIGIBILITY REPORTING SERVICE PROCEDURES

NOTICE OF COMMISSION APPROVAL

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on December 19, 2007, amendments filed by CDS to its procedures relating to dividend eligibility reporting service (DERS). The objective of the amendments is to introduce the DERS to CDS participants. The service will provide information required to identify dividends received from a Canadian source that are eligible for a favourable tax treatment. A copy and description of these amendments were published for comment on October 26, 2007 at (2007) 30 OSCB 9039. No comment letters were received.

1.1.4 CSA Staff Notice 51-324 Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities

CANADIAN SECURITIES ADMINISTRATORS
STAFF NOTICE 51-324

GLOSSARY TO
NI 51-101 STANDARDS OF DISCLOSURE
FOR OIL AND GAS ACTIVITIES

Section 1.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) defines a number of terms used in NI 51-101, Form 51-101F1, Form 51-101F2, Form 51-101F3 and Companion Policy 51-101CP.¹ Section 1.2 of NI 51-101 provides that terms used in the *Instrument* but not defined in the *Instrument*, National Instrument 14-101 *Definitions* (NI 14-101) or the securities statute in the *jurisdiction* have the meaning or interpretation, if any, set out in the *COGE Handbook*.

Part 1 of this Glossary explains much of the terminology used in NI 51-101 and its accompanying documents. It is provided only as a convenience to users of NI 51-101, to assist them in better understanding the purpose and application of NI 51-101. Part 2 of the Glossary focuses on the definition of *reserves* and is derived from Section 5 of Volume 1 of the *COGE Handbook*.

The explanations in Part 1 of this Glossary are derived from a number of sources, including section 1.1 of NI 51-101, NI 14-101 and the *COGE Handbook*. The source document for the explanation is generally indicated in square brackets after the explanation (even if the explanation is not verbatim to the source document). These explanations may change from time to time. Readers are cautioned to consult a current edition of the source document for updated explanations.

Background or further guidance may be found in the source documents:

- CICA Accounting Guideline 16 is included in the *CICA Handbook*, which can be obtained from the CICA.
- The *COGE Handbook* can be obtained from the Petroleum Society of the Canadian Institute of Mining, Metallurgy & Petroleum (Telephone (403) 237-5112; email info@petsoc.org; or www.petsoc.org).
- FAS 19 can be obtained from FASB, the United States Financial Accounting Standards Board.
- NI 14-101 can be viewed on the websites of a number of *securities regulatory authorities*.

Part 1 of this Glossary includes definitions of the various categories of *resources* that are identified and defined in the *COGE Handbook*. At the present time, these *resource* categories are as follows:

- *total petroleum initially-in-place (equivalent to total resources);*
- *discovered petroleum initially-in-place (equivalent to discovered resources);*
- *discovered unrecoverable petroleum initially-in-place (equivalent to discovered unrecoverable resources);*
- *contingent resources;*
- *undiscovered petroleum initially-in-place (equivalent to undiscovered resources);*
- *undiscovered unrecoverable petroleum initially-in-place (equivalent to undiscovered unrecoverable resources); and*
- *prospective resources.*

Readers are cautioned to consult a current edition of the *COGE Handbook* for updated *resource* categories and definitions.

¹ Terms italicized in this notice are defined in Part 1 of the Glossary of this notice.

PART 1 DEFINITIONS

The terms (and plural, singular or other grammatical variants thereof) set out in the left column below have the meanings respectively set out in the right column.

Defined Term	Meaning
1934 Act	The Securities Exchange Act of 1934 of the United States of America, as amended from time to time. [NI 14-101]
Accumulation	An individual body of <i>petroleum</i> in a <i>reservoir</i> . [COGE Handbook]
Annual information form	A completed Form 51-102F2 <i>Annual Information Form</i> , or in the case of an <i>SEC</i> issuer (as defined in National Instrument 51-102 Continuous Disclosure Obligations) a completed Form 51-102F2 or an annual report or transition report under the 1934 Act on Form 10-K, Form 10-KSB or Form 20-F. [NI 51-102]
Analogous information	<p>Information about an area outside the area the <i>reporting issuer</i> has an interest or intends to acquire an interest, which is referenced by the <i>reporting issuer</i> for the purpose of drawing a comparison or conclusion to an area in which the <i>reporting issuer</i> has an interest or intends to acquire an interest, which comparison or conclusion is reasonable, and includes without limitation:</p> <ul style="list-style-type: none"> • historical information concerning reserves; • estimates of the volume or value of reserves; • historical information concerning resources; • estimates of the volume or value of resources; • historical production amounts; • production estimates; or • information concerning a field, well, basin or reservoir. <p>[NI 51-101]</p>
Anticipated results	<p>Information which may, in the opinion of a reasonable person, indicate the potential value or quantities of <i>resources</i> in respect of the <i>reporting issuer's resources</i> or a portion of its <i>resources</i> and includes without limitation:</p> <ul style="list-style-type: none"> • estimates of volume; • estimates of value; • areal extent; • pay thickness; • flow rates; or • hydrocarbon content. <p>[NI 51-101]</p>
Associated gas	The <i>gas cap</i> overlying a <i>crude oil accumulation</i> in a <i>reservoir</i> .
Audit	<p>In relation to <i>reserves data</i>, the process whereby an <i>independent</i> qualified <i>reserves</i> auditor carries out procedures designed to allow the <i>independent</i> qualified <i>reserves</i> auditor to provide reasonable assurance, in the form of an opinion that the <i>reporting issuer's reserves data</i> (or specific parts thereof) have, in all <i>material</i> respects, been determined and presented in accordance with the <i>COGE Handbook</i> and are, therefore, free of <i>material</i> misstatement.</p> <p>Because of</p> <ul style="list-style-type: none"> (a) the nature of the subject matter (estimates of future results with many uncertainties); (b) the fact that the <i>independent</i> qualified <i>reserves</i> auditor assesses the qualifications and experience of the <i>reporting issuer's</i> staff, assesses the <i>reporting issuer's</i> systems, procedures and controls and relies on the competence of the <i>reporting issuer's</i> staff and the appropriateness of the

reporting issuer's systems, procedures and controls; and

- (c) the fact that tests and samples (involving examination of underlying documentation supporting the determination of the reserves and future net revenue) as opposed to complete evaluations, are involved;

the level of assurance is designed to be high, though not absolute.

The level of assurance cannot be described with numeric precision. It will usually be less than, but reasonably close to, that of an *independent evaluation* and considerably higher than that of a review.

[COGE Handbook]

Bbl

Barrel.

Bitumen

A naturally occurring viscous mixture consisting mainly of pentanes and heavier hydrocarbons. Its viscosity is greater than 10,000 mPa-s (cp) measured at original temperature in the reservoir and atmospheric pressure, on a gas-free basis. Crude bitumen may contain sulphur and other non-hydrocarbon compounds. [COGE Handbook]

BOEs

Barrels of oil equivalent. [NI 51-101 and COGE Handbook]

Canadian GAAP

Generally accepted accounting principles determined with reference to the CICA Handbook. [NI 14-101]

CICA

The Canadian Institute of Chartered Accountants. [NI 51-101]

CICA Accounting Guideline 16

Accounting Guideline AcG-16 "Oil and gas accounting - full cost" included in the CICA Handbook, as amended from time to time. [NI 51-101]

CICA Handbook

The Handbook of the CICA, as amended from time to time.

COGE Handbook

The "Canadian Oil and Gas Evaluation Handbook" prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society) as amended from time to time.

Commercial

When a project is commercial this implies that the essential social, environmental, and economic conditions are met, including political, legal, regulatory, and contractual conditions. Considerations with regard to determining commerciality include

- economic viability of the related development project;
- a reasonable expectation that there will be a market for the expected sales quantities of production required to justify development;
- evidence that the necessary production and transportation facilities are available or can be made available;
- evidence that legal, contractual, environmental, governmental, and other social and economic concerns will allow for the actual implementation of the recovery project being evaluated;
- a reasonable expectation that all required internal and external approvals will be forthcoming. Evidence of this may include items such as signed contracts, budget approvals, and approvals for expenditures, etc.
- evidence to support a reasonable timetable for development. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. Although five years is recommended as a maximum time frame for classification of a project as commercial, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives.

[COGE Handbook]

Constant prices and costs

Prices and costs used in an estimate that are:

- (a) the *reporting issuer's* prices and costs as at the *effective date* of the estimation, held constant throughout the estimated lives of the *properties* to which the estimate applies;
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the *reporting issuer* is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

For the purpose of paragraph (a), the *reporting issuer's* prices will be the posted price for *oil* and the spot price for *gas*, after historical adjustments for transportation, gravity and other factors.

[Form 51-101F1]

Contingent resources

Those quantities of *petroleum* estimated, as of a given date, to be potentially recoverable from *known accumulations* using established technology or technology under development, but which are not currently considered to be *commercially* recoverable due to one or more contingencies.

Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters or a lack of markets. It is also appropriate to classify as *contingent resources* the estimated discovered recoverable quantities associated with a project in the early evaluation stage. [COGE Handbook]

Crude oil (or Oil)

A mixture consisting mainly of pentanes and heavier *hydrocarbons* that exists in the liquid phase in *reservoirs* and remains liquid at atmospheric pressure and temperature. *Crude oil* may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of *natural gas*. Refer to the COGE Handbook for a more complete definition. [COGE Handbook]

CSA

The Canadian Securities Administrators, an association consisting of the thirteen *securities regulatory authorities* in Canada.

Developed non-producing reserves

See Part 2 of this Glossary. [COGE Handbook]

Developed producing reserves

See Part 2 of this Glossary. [COGE Handbook]

Developed reserves

See Part 2 of this Glossary. [COGE Handbook]

Development costs

Costs incurred to obtain access to *reserves* and to provide facilities for extracting, treating, gathering and storing the *oil* and *gas* from the *reserves*.

More specifically, *development costs*, including applicable *operating costs of support equipment and facilities* and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, *gas* lines and power lines, to the extent necessary in developing the *reserves*;
- (b) drill and equip *development wells*, development type *stratigraphic test wells* and *service wells*, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;
- (c) acquire, construct and install *production* facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and *production* storage tanks,

natural gas cycling and processing plants, and central utility and waste disposal systems; and

- (d) provide improved recovery systems. [CICA Accounting Guideline 16]

Development well

A well drilled inside the established limits of an *oil* or *gas reservoir*, or in close proximity to the edge of the *reservoir*, to the depth of a stratigraphic horizon known to be productive. [CICA Accounting Guideline 16]

Discovered petroleum initially-in-place

That quantity of *petroleum* that is estimated, as of a given date, to be contained in *known accumulations* prior to *production*.

The recoverable portion of *discovered petroleum initially-in-place* includes *production*, *reserves* and *contingent resources*; the remainder is unrecoverable. [COGE Handbook]

Discovered resources

Refer to *discovered petroleum initially-in-place* as both terms are equivalent. [COGE Handbook]

Discovered unrecoverable petroleum initially-in-place

That portion of *discovered petroleum initially-in-place* which is estimated, as of a given date, not to be recoverable by future development projects.

A portion of these quantities may become recoverable in the future as *commercial* circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and *reservoir* rocks. [COGE Handbook]

Discovered unrecoverable resources

Refer to *discovered unrecoverable petroleum initially-in-place* as both terms are equivalent.

Effective date

In respect of information, the date as at which, or for the period ended on which, the information is provided.

Evaluation

In relation to *reserves data*, the process whereby an economic analysis is made of a *property* to arrive at an estimate of a range of *net* present values of the estimated *future net revenue* resulting from the *production* of the *reserves* associated with the *property*. [COGE Handbook]

Exploration costs

Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have *prospects* that may contain *oil* and *gas reserves*, including costs of drilling *exploratory wells* and exploratory type *stratigraphic test wells*.

Exploration costs may be incurred both before acquiring the related *property* (sometimes referred to in part as "prospecting costs") and after acquiring the *property*. *Exploration costs*, which include applicable *operating costs* of *support equipment and facilities* and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to *properties* to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs");
- (b) costs of carrying and retaining unproved *properties*, such as delay rentals, taxes (other than income and capital taxes) on *properties*, legal costs for title defence, and the maintenance of land and *lease* records;
- (c) dry hole contributions and bottom hole contributions;
- (d) costs of drilling and equipping *exploratory wells*; and

- (e) costs of drilling exploratory type *stratigraphic test wells*.

[CICA Accounting Guideline 16]

Exploratory well

A well that is not a *development well*, a *service well* or a *stratigraphic test well*.
[CICA Accounting Guideline 16]

FAS 19

FASB Statement of Financial Accounting Standards No. 19 "Financial Accounting and Reporting by Oil and Gas Producing Companies", as amended from time to time. [NI 51-101]

FASB

United States Financial Accounting Standards Board.

Field

A defined geographical area consisting of one or more pools. [COGE Handbook]

Forecast prices and costs

Future prices and costs that are:

- (a) generally accepted as being a reasonable outlook of the future;
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the *reporting issuer* is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a). [NI 51-101]

Foreign geographic area

A geographic area outside North America within one country or including all or portions of a number of countries.

Form 51-101F1

Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information*.

Form 51-101F2

Form 51-101F2 *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor*.

Form 51-101F3

Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure*.

Future income tax expenses

Future income tax expenses estimated (generally, year-by-year):

- (a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between *oil and gas activities* and other business activities;
- (b) without deducting estimated future costs (for example, Crown royalties) that are not deductible in computing taxable income;
- (c) taking into account estimated tax credits and allowances (for example, royalty tax credits); and
- (d) applying to the future pre-tax net cash flows relating to the *reporting issuer's oil and gas activities* the appropriate year-end statutory tax rates, taking into account future tax rates already legislated.

Future net revenue

The estimated *net* amount to be received with respect to the development and *production* of *reserves* (including *synthetic oil*, coal bed methane and other non-conventional *reserves*) estimated using:

- (a) *forecast prices and costs*; and
- (b) at the option of the *reporting issuer*, *constant prices and costs*.

This *net* amount is computed by deducting, from estimated future revenues:

- estimated amounts of future royalty obligations;
- costs related to the development and *production* of *reserves*;

- abandonment and reclamation costs; and
- *future income tax expenses*, unless otherwise specified in *NI 51-101*, *Form 51-101F1* or *Form 51-101F2*.

Corporate general and administrative expenses and financing costs are not deducted. *Net* present values of *future net revenue* may be calculated using a discount rate or without discount.

Gas (or Natural Gas)

A mixture of lighter *hydrocarbons* that exist either in the gaseous phase or in solution in *crude oil* in *reservoirs* but are gaseous at atmospheric conditions. *Natural gas* may contain sulphur or other non-hydrocarbon compounds. [COGE Handbook]

Gross

- In relation to a *reporting issuer's* interest in *production* or *reserves*, its "company *gross reserves*", which are the *reporting issuer's* working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the *reporting issuer*.
- In relation to wells, the total number of wells in which a *reporting issuer* has an interest.
- In relation to *properties*, the total area of *properties* in which a *reporting issuer* has an interest.

Heavy oil

In respect of *reserves* or *production*:

- in a *jurisdiction* that has a royalty regime specific to *heavy oil*, "*heavy oil*" is oil that qualifies for royalties specific to *heavy oil*; or
- in a *jurisdiction* that has no royalty regime specific to *heavy oil*, "*heavy oil*" is oil with a density between 10 to 22.3 degrees API (as that term is defined by the American Petroleum Institute). [COGE Handbook]

Hydrocarbons

Solid, liquid, or gas made up of compounds of carbon and hydrogen in varying proportions. [COGE Handbook]

Includes *oil* and *gas*.

**Instrument
(or NI 51-101)**

NI 51-101 *Standards of Disclosure for Oil and Gas Activities*.

Jurisdiction

For the purposes of *NI 51-101*, a province or territory of Canada. [NI 14-101]

Known accumulation

An *accumulation* that has been penetrated by a well. In general, the well must have demonstrated the existence of *hydrocarbons* by flow testing in order for the *accumulation* to be classified as "known". However, where log and/or core data exist and there is a good analogy to a nearby and geologically comparable *known accumulation*, this may suffice. [COGE Handbook]

Lease

An agreement granting to the lessee rights to explore, develop and exploit a *property*.

Marketable

In respect of *reserves* or sales of *oil*, *gas* or associated by-products, the volume of *oil*, *gas* or associated by-products measured at the point of sale to a third party, or of transfer to another division of the issuer for treatment prior to sale to a third party. For *gas*, this may occur either before or after removal of *natural gas* liquids. For *heavy oil* or *bitumen*, this is before the addition of diluent.

Material (or materiality)	For the purposes of <i>NI 51-101</i> , information is <i>material</i> , in respect of a <i>reporting issuer</i> , if it would be likely to influence a decision by a reasonable investor to buy, hold or sell a security of the <i>reporting issuer</i> . This meaning differs from the definitions of "material change" and "material fact" in <i>securities legislation</i> , but is consistent with the meaning of the term as used, for accounting purposes, in the <i>CICA Handbook</i> . [<i>NI 51-101</i>]
Mcf	Thousand cubic feet.
McfGE	Thousand cubic feet of <i>gas</i> equivalent. [<i>NI 51-101</i> and <i>COGE Handbook</i>]
Natural gas	<i>Gas</i> . [<i>COGE Handbook</i>]
Natural gas liquids	Those hydrocarbon components that can be recovered from <i>natural gas</i> as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons. [<i>COGE Handbook</i>]
Net	(a) In relation to a <i>reporting issuer's</i> interest in <i>production</i> or <i>reserves</i> , the <i>reporting issuer's</i> working interest (operating or non-operating) share after deduction of royalty obligations, plus the <i>reporting issuer's</i> royalty interests in <i>production</i> or <i>reserves</i> . (b) In relation to a <i>reporting issuer's</i> interest in wells, the number of wells obtained by aggregating the <i>reporting issuer's</i> working interest in each of its <i>gross</i> wells. (c) In relation to a <i>reporting issuer's</i> interest in a <i>property</i> , the total area in which the <i>reporting issuer</i> has an interest multiplied by the working interest owned by the <i>reporting issuer</i> .
NI 14-101	National Instrument 14-101 <i>Definitions</i> .
NI 51-101 or the Instrument	National Instrument 51-101 <i>Standards of Disclosure for Oil and Gas Activities</i> .
NI 51-102	National Instrument 51-102 <i>Continuous Disclosure Obligations</i> .
Non-associated gas	An <i>accumulation</i> of <i>natural gas</i> in a <i>reservoir</i> where there is no <i>crude oil</i> .
Oil	<i>Crude oil</i> or <i>synthetic oil</i> . [<i>COGE Handbook</i>]
Oil and gas activities	" <i>Oil and gas activities</i> ": (a) include: (i) the search for <i>crude oil</i> or <i>natural gas</i> in their natural states and original locations; (ii) the acquisition of <i>property</i> rights or <i>properties</i> for the purpose of further exploring for or removing <i>oil</i> or <i>gas</i> from <i>reservoirs</i> on those <i>properties</i> ; (iii) the construction, drilling and <i>production</i> activities necessary to recover <i>oil</i> and <i>gas</i> from <i>reservoirs</i> , and the acquisition, construction, installation and maintenance of <i>field</i> gathering and storage systems, including lifting <i>oil</i> and <i>gas</i> to the surface and gathering, treating, <i>field</i> processing and <i>field</i> storage; and (iv) the extraction of <i>hydrocarbons</i> from <i>oil</i> sands, shale, coal or other non-conventional sources and activities similar to those referred to in clauses (i), (ii) and (iii) undertaken with a view to such extraction; but

- (b) do not include:
 - (i) transporting, refining or marketing *oil* or *gas*;
 - (ii) activities relating to the extraction of natural *resources* other than *oil* and *gas* and their by-products; or
 - (iii) the extraction of geothermal steam or of *hydrocarbons* as a by-product of the extraction of geothermal steam or associated geothermal *resources*. [NI 51-101]

Operating costs

Production costs.

Petroleum

A naturally occurring mixture consisting predominantly of *hydrocarbons* in the gaseous, liquid, or solid phase. [COGE Handbook]

Possible reserves

See Part 2 of this Glossary. [COGE Handbook]

Preparation date

In respect of written disclosure, the most recent date to which information relating to the period ending on the *effective date* was considered in the preparation of the disclosure.

Probable reserves

See Part 2 of this Glossary. [COGE Handbook]

Production

The cumulative quantity of *petroleum* that has been recovered at a given date. [COGE Handbook]

Recovering, gathering, treating, *field* or plant processing (for example, processing gas to extract *natural gas* liquids) and *field* storage of *oil* and *gas*.

The *oil production* function is usually regarded as terminating at the outlet valve on the *lease* or *field production* storage tank. The *gas production* function is usually regarded as terminating at the plant gate. In some circumstances, it may be more appropriate to regard the *production* function as terminating at the first point at which *oil*, *gas* or their by-products are delivered to a main pipeline, a common carrier, a refinery or a marine terminal.

Production costs (or Operating costs)

Costs incurred to operate and maintain wells and related equipment and facilities, including applicable *operating costs* of *support equipment and facilities* and other costs of operating and maintaining those wells and related equipment and facilities.

Lifting costs become part of the cost of *oil* and *gas* produced.

Examples of *production costs* are:

- (a) costs of labour to operate the wells and related equipment and facilities;
- (b) costs of repairs and maintenance;
- (c) costs of materials, supplies and fuel consumed, and supplies utilized, in operating the wells and related equipment and facilities;
- (d) costs of workovers;
- (e) *property* taxes and insurance costs applicable to *properties* and wells and related equipment and facilities; and
- (f) taxes, other than income and capital taxes.

Production group

One of the following together, in each case, with associated by-products:

- (a) light and medium *crude oil* (combined);

- (b) heavy oil;
- (c) associated gas and non-associated gas (combined); and
- (d) bitumen, synthetic oil or other products from non-conventional oil and gas activities.

Product type

One of the following:

- (a) in respect of conventional oil and gas activities:
 - (i) light and medium crude oil (combined);
 - (ii) heavy oil;
 - (iii) natural gas excluding natural gas liquids; or
 - (iv) natural gas liquids; and
- (b) in respect of non-conventional oil and gas activities:
 - (i) synthetic oil;
 - (ii) bitumen;
 - (iii) coal bed methane;
 - (iv) hydrates;
 - (v) shale oil; or
 - (vi) shale gas.

[NI 51-101]

Professional organization

A self-regulatory organization of engineers, geologists, other geoscientists or other professionals whose professional practice includes reserves evaluations or reserves audits, that:

- (a) admits members primarily on the basis of their educational qualifications;
- (b) requires its members to comply with the professional standards of competence and ethics prescribed by the organization that are relevant to the estimation, evaluation, review or audit of reserves data;
- (c) has disciplinary powers, including the power to suspend or expel a member; and
- (d) is either:
 - (i) given authority or recognition by statute in a Canadian jurisdiction; or
 - (ii) accepted for this purpose by the securities regulatory authority or the regulator.

[NI 51-101]

Property

A *property* includes:

- (a) fee ownership or a *lease*, concession, agreement, permit, licence or other interest representing the right to extract *oil* or *gas* subject to such terms as may be imposed by the conveyance of that interest;
- (b) royalty interests, *production* payments payable in *oil* or *gas*, and other non-operating interests in *properties* operated by others; and
- (c) an agreement with a foreign government or authority under which a *reporting issuer* participates in the operation of *properties* or otherwise serves as "producer" of the underlying *reserves* (in contrast to being an *independent* purchaser, broker, dealer or importer).

A *property* does not include supply agreements, or contracts that represent a right to purchase, rather than extract, *oil* or *gas*.

[CICA Accounting Guideline 16]

Property acquisition costs

Costs incurred to acquire a *property* (directly by purchase or *lease*, or indirectly by acquiring another corporate entity with an interest in the *property*), including:

- (a) costs of *lease* bonuses and options to purchase or *lease* a *property*;
- (b) the portion of the costs applicable to *hydrocarbons* when land including rights to *hydrocarbons* is purchased in fee;
- (c) brokers' fees, recording and registration fees, legal costs and other costs incurred in acquiring *properties*.

[CICA Accounting Guideline 16]

Prospect

A geographic or stratigraphic area, in which the *reporting issuer* owns or intends to own one or more *oil* and *gas* interests, which is geographically defined on the basis of geological data and which is reasonably anticipated to contain at least one *reservoir* or part of a *reservoir* of *oil* and *gas*.

Prospective resources

Those quantities of *petroleum* estimated, as of a given date, to be potentially recoverable from undiscovered *accumulations* by application of future development projects.

Prospective resources have both an associated chance of discovery and a chance of development. [COGE Handbook]

Proved property

A *property* or part of a *property* to which *reserves* have been specifically attributed.

Proved reserves

See Part 2 of this Glossary. [COGE Handbook]

Qualified reserves auditor

An individual who:

- (a) in respect of particular *reserves data* or related information, possesses professional qualifications and experience appropriate for the estimation, *evaluation*, review and *audit* of the *reserves data* and related information; and
- (b) is a member in good standing of a *professional organization*.

[NI 51-101]

Qualified reserves evaluator

An individual who:

- (a) in respect of particular *reserves data* or related information, possesses professional qualifications and experience appropriate for the estimation, *evaluation* and review of the *reserves data* and related information; and

(b) is a member in good standing of a *professional organization*.

[NI 51-101]

Qualified reserves evaluator or auditor A qualified *reserves auditor* or a *qualified reserves evaluator*.

[NI 51-101]

Regulator The *securities regulatory authority* or a person who holds a specified position with the *securities regulatory authority* (in several instances, its Executive Director or Director) in each *jurisdiction*.

[NI 14-101]

Reporting issuer (a) A "*reporting issuer*" as defined in *securities legislation*; or
(b) in a *jurisdiction* in which the term is not defined in *securities legislation*, an issuer of securities that is required to file financial statements with the *securities regulatory authority*.

Reservation In relation to a report on *reserves data*, a modification of the standard report of an *independent qualified reserves evaluator or auditor* on *reserves data* set out in *Form 51-101F2*, caused by a departure from the *COGE Handbook* or by a limitation in the scope of work that the *independent qualified reserves evaluator or auditor* considers necessary. A modification may take the form of a qualified or adverse opinion or a denial of opinion.

Reserves See Part 2 of this Glossary. [COGE Handbook]

Reserves data Estimates of proved reserves and probable reserves and related future net revenue estimated using forecast prices and costs. [NI 51-101]

Reservoir A porous and permeable subsurface rock formation that contains a separate *accumulation of petroleum* that is confined by impermeable rock or water barriers and is characterized by a single pressure system. [COGE Handbook]

Resources A general term that may refer to all or a portion of *total resources*.

Review In relation to the role of a *qualified reserves evaluator or auditor* in respect of *reserves data*, steps carried out by the *qualified reserves evaluator or auditor*, consisting primarily of enquiry, analytical procedures, analysis, review of historical *reserves* performance and discussion with *reserves* management staff related to a *reporting issuer's reserves data*, with the limited objective of assessing whether the *reserves data* is "plausible" in the sense of appearing to be worthy of belief based on the information obtained by the *qualified reserves evaluator or auditor* as a result of carrying out such steps. Examination of documentation is not required unless the information does not appear to be plausible.

A *reserves review*, due to the limited nature of the investigation involved, does not provide the level of assurance provided by a *reserves audit*. Although *reserves reviews* can be done for specific applications, they are not a substitute for an *audit*. [COGE Handbook]

SEC The Securities and Exchange Commission of the United States of America. [NI 14-101]

Securities legislation	<p>The statute (in most cases entitled the "Securities Act") and subordinate legislation (in most cases including regulations or rules) specified, for each <i>jurisdiction</i>, in NI 14-101.</p> <p>References in NI 51-101 to <i>securities legislation</i> are to be read as references to <i>securities legislation</i> in the particular <i>jurisdiction</i>.</p>
Securities regulatory authority	<p>The securities commission or comparable body specified, for each <i>jurisdiction</i>, in NI 14-101.</p> <p>References in NI 51-101 to the <i>securities regulatory authority</i> are to be read as references to the <i>securities regulatory authority</i> in the particular <i>jurisdiction</i>.</p>
SEDAR	<p>The System for Electronic Document Analysis and Retrieval referred to in National Instrument 13-101 System for Electronic Document Analysis and Retrieval (<i>SEDAR</i>).</p>
Service well	<p>A well drilled or completed for the purpose of supporting <i>production</i> in an existing <i>field</i>. Wells in this class are drilled for the following specific purposes: <i>gas</i> injection (<i>natural gas</i>, propane, butane or flue <i>gas</i>), water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for combustion.</p> <p>[CICA Accounting Guideline 16]</p>
Solution gas	<p>Gas dissolved in <i>crude oil</i>. See <i>gas</i>.</p>
Stratigraphic test well	<p>A drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for hydrocarbon <i>production</i>. They include wells for the purpose of core tests and all types of expendable holes related to hydrocarbon exploration.</p> <p><i>Stratigraphic test wells</i> are classified as</p> <ul style="list-style-type: none"> (a) "exploratory type" if not drilled into a proved <i>property</i>; or (b) "development type", if drilled into a proved <i>property</i>. Development type stratigraphic wells are also referred to as "<i>evaluation wells</i>". [CICA Accounting Guideline 16]
Support equipment and facilities	<p>Equipment and facilities used in <i>oil and gas activities</i>, including seismic equipment, drilling equipment, construction and grading equipment, vehicles, repair shops, warehouses, supply points, camps, and division, district or <i>field</i> offices.</p>
Supporting filing	<p>A document filed by a <i>reporting issuer</i> with a <i>securities regulatory authority</i>. [NI 51-101]</p>
Synthetic (crude) oil	<p>A mixture of <i>hydrocarbons</i> derived by upgrading crude <i>bitumen</i> from <i>oil sands</i> and kerogen from <i>oil shales</i> or other substances such as coal; may contain sulphur or other non-hydrocarbon compounds and has many similarities to <i>crude oil</i>. [COGE Handbook]</p>
Total petroleum initially-in-place	<p>That quantity of <i>petroleum</i> that is estimated to exist originally in naturally occurring <i>accumulations</i>.</p> <p>It includes that quantity of <i>petroleum</i> that is estimated, as of a given date, to be contained in <i>known accumulations</i>, prior to <i>production</i>, plus those estimated quantities in <i>accumulations</i> yet to be discovered. [COGE Handbook]</p>
Total resources	<p>Refer to <i>total petroleum initially-in-place</i> as both terms are equivalent. [COGE Handbook]</p>
Undeveloped reserves	<p>See Part 2 of this Glossary. [COGE Handbook]</p>

<i>Undiscovered petroleum initially-in-place</i>	<p>That quantity of <i>petroleum</i> that is estimated, on a given date, to be contained in <i>accumulations</i> yet to be discovered.</p> <p>The recoverable portion of <i>undiscovered petroleum initially-in-place</i> is referred to as <i>prospective resources</i>; the remainder is unrecoverable. [COGE Handbook]</p>
<i>Undiscovered resources</i>	<p>Refer to <i>undiscovered petroleum initially-in-place</i> as both terms are equivalent. [COGE Handbook]</p>
<i>Undiscovered unrecoverable petroleum initially-in-place</i>	<p>That portion of <i>undiscovered petroleum initially-in-place</i> which is estimated, as of a given date, not to be recoverable by future development projects.</p> <p>A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and <i>reservoir</i> rocks. [COGE Handbook]</p>
<i>Undiscovered unrecoverable resources</i>	<p>Refer to <i>undiscovered unrecoverable petroleum initially-in-place</i> as both terms are equivalent.</p>
<i>Unproved property</i>	<p>A <i>property</i> or part of a <i>property</i> to which no <i>reserves</i> have been specifically attributed.</p>
<i>Well abandonment costs</i>	<p>Costs of abandoning a well (<i>net</i> of salvage value) and of disconnecting the well from the surface gathering system. They do not include costs of abandoning the gathering system or reclaiming the wellsite.</p>

PART 2 DEFINITIONS OF RESERVES

This Part is derived from Section 5 of Volume 1 of the *COGE Handbook* (First Edition, June 30, 2002). Consult a current edition of the *COGE Handbook* for updates and for additional explanation and guidance.

The following *reserves* definitions and guidelines are designed to assist evaluators in making *reserves* estimates on a reasonably consistent basis, and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

The guidelines outline

- general criteria for classifying *reserves*,
- procedures and methods for estimating *reserves*,
- confidence levels of individual entity and aggregate *reserves* estimates,
- verification and testing of *reserves* estimates.

The determination of *oil* and *gas reserves* involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of *proved*, *probable*, and *possible reserves* have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of *reserves* requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific *reserves* classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply *reserves* definitions. These concepts are presented and discussed in greater detail within the guidelines in Section 5.5 [of the *COGE Handbook*].

The following definitions apply to both estimates of individual *reserves* entities and the aggregate of *reserves* for multiple entities.

Reserves Categories

Reserves are estimated remaining quantities of *oil* and *natural gas* and related substances anticipated to be recoverable from *known accumulations*, as of a given date, based on

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology;
- specified economic conditions¹, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

- (a) **Proved reserves** are those *reserves* that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated *proved reserves*.
- (b) **Probable reserves** are those additional *reserves* that are less certain to be recovered than *proved reserves*. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated *proved plus probable reserves*.

¹ For the purposes of NI 51-101, the key economic assumptions will be the prices and costs used in the estimate, namely:

- (a) **forecast prices and costs**, and
- (b) at the option of the reporting issuer, **constant prices and costs** as at the last day of a reporting issuer's financial year.

- (c) **Possible reserves** are those additional *reserves* that are less certain to be recovered than *probable reserves*. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated *proved* plus *probable* plus *possible reserves*.

Other criteria that must also be met for the classification of *reserves* are provided in [Section 5.5.4 of the *COGE Handbook*].

Development and *Production Status*

Each of the *reserves* categories (*proved*, *probable* and *possible*) may be divided into *developed* and *undeveloped* categories:

- (a) **Developed reserves** are those *reserves* that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the *reserves* on *production*. The *developed* category may be subdivided into producing and non-producing.

Developed producing reserves are those *reserves* that are expected to be recovered from completion intervals open at the time of the estimate. These *reserves* may be currently producing or, if shut-in, they must have previously been on *production*, and the date of resumption of *production* must be known with reasonable certainty.

Developed non-producing reserves are those *reserves* that either have not been on *production*, or have previously been on *production* but are shut-in and the date of resumption of *production* is unknown.

- (b) **Undeveloped reserves** are those *reserves* expected to be recovered from *known accumulations* where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of *production*. They must fully meet the requirements of the *reserves* category (*proved*, *probable*, *possible*) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool *reserves* between the *developed* and *undeveloped* categories or to subdivide the *developed reserves* for the pool between *developed producing* and *developed non-producing*. This allocation should be based on the estimator's assessment as to the *reserves* that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and *production* status.

Levels of Certainty for Reported *Reserves*

The qualitative certainty levels referred to in the definitions above are applicable to "individual *reserves* entities", which refers to the lowest level at which *reserves* calculations are performed, and to "reported *reserves*", which refers to the highest level sum of individual entity estimates for which *reserves* estimates are presented. Reported *reserves* should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated *proved reserves*;
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated *proved* plus *probable reserves*; and
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated *proved* plus *probable* plus *possible reserves*.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various *reserves* categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of *reserves* estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with *reserves* estimates and the effect of aggregation is provided in Section 5 [of the *COGE Handbook*].

Questions

Please refer any questions you may have regarding this notice to the following people:

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December 28, 2007

1.3 News Releases

1.3.1 Canadian Securities Administrators Issue Update on Actions Related to Global Credit and Liquidity Issues

**FOR IMMEDIATE RELEASE
December 20, 2007**

CANADIAN SECURITIES ADMINISTRATORS ISSUE UPDATE ON ACTIONS RELATED TO GLOBAL CREDIT AND LIQUIDITY ISSUES

Montreal – The Canadian Securities Administrators (CSA) today provided an update on its activities related to global credit and liquidity issues, including its review of Canadian reporting issuer disclosure, the potential impact on investment funds and its involvement in international action plans.

"This issue has affected financial markets around the globe simultaneously," said Jean St-Gelais, Chair of the CSA and President and Chief Executive Officer of the Autorité des marchés financiers (Québec). "None of us is immune to its impact. That is why it is crucial that there be a co-ordinated effort both internationally and here at home to review the issues and evaluate the policy implications."

The CSA has established a committee that will focus actions by Canadian securities regulators in respect of global credit and liquidity issues. As part of its activities, the CSA has initiated targeted reviews of continuous disclosure by reporting issuers identified as holders of non-bank sponsored asset-backed commercial paper (ABCP).

Current information is that fewer than 100 public companies in Canadian markets hold significant amounts of non-bank sponsored ABCP. The reviews are focussing on the reasonableness of assessments of the fair value of ABCP holdings as well as disclosure and presentation in financial statements and management's discussion and analysis (MD&A). Areas of importance include:

- how issuers are accounting for these investments;
- whether or not issuers have taken valuation write-downs when required;
- appropriate classification of these assets on balance sheets; and
- adequacy of MD&A disclosure about both the impact of ABCP holdings on an issuer's ability to meet short-term cash needs and any broader business impact of current credit market conditions.

If continuous disclosure filings are materially deficient or fail to meet relevant accounting and disclosure requirements, reporting issuers will be expected to restate and re-file their disclosure documents.

"Compliance with accounting and disclosure requirements is critical in a situation such as this and we, as regulators, are carefully reviewing issuers' disclosures," said Jean St-Gelais.

Staff of the Canadian Accounting Standards Board issued a Financial Reporting Commentary on October 29, 2007 on how certain aspects of generally accepted accounting principles (GAAP) apply to non-bank sponsored ABCP held by investors. "Our rules require compliance with GAAP," added Jean St-Gelais.

Members of the CSA sent questionnaires to managers of public mutual funds, exchange traded funds, labour sponsored investment funds, scholarship plans and closed-end funds requesting data regarding investments in ABCP. Our review of the findings focussed on valuation and disclosure of those investments. The CSA is conducting targeted reviews of investment funds' ABCP disclosure in their financial statements and Management Reports of Fund Performance.

The CSA's activities described above are complemented by the efforts of the Investment Dealers Association of Canada, which is investigating whether proper standards of registrant behaviour were followed in the distribution of ABCP to retail clients.

As credit and liquidity issues are a global phenomenon, the CSA continues to work closely with the international community, including participating in the task forces established by the International Organization of Securities Commissions. These task forces are examining the role of credit rating agencies, as well as broader issues such as transparency of underlying assets. Both task forces are expected to have developed proposals and action plans early in the new year. Working meetings of the Task Forces are taking place in January and February 2008.

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

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1.3.2 Canadian Regulators Enact Amendments to Oil and Gas Disclosure Rules

**FOR IMMEDIATE RELEASE
December 28, 2007**

CANADIAN REGULATORS ENACT AMENDMENTS TO OIL AND GAS DISCLOSURE RULES

Calgary -The Canadian Securities Administrators (CSA) today announced that amendments to National Instrument 51-101 (NI 51-101) *Standards of Disclosure for Oil and Gas Activities*, its related forms and its companion policy have been enacted.

The amendments provide revised standards for the disclosure of resources. The amendments also modify, and in some instances, streamline annual filing requirements and other requirements of NI 51-101.

"Since it was implemented in September 2003, NI 51-101 has been recognized as providing Canada with one of the finest oil and gas disclosure regimes in the world," said Jean St-Gelais, Chair of the CSA and President & Chief Executive Officer of the Autorité des marchés financiers (Québec). "Through our review and feedback from the market, we identified areas where the rule could be improved. These amendments address these areas and make NI 51-101 more meaningful and understandable to investors."

The amended NI 51-101, its forms and its companion policy have been posted to several CSA members' websites.

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

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1.4 Notices from the Office of the Secretary

1.4.1 Xiiva Holdings Inc. et al.

**FOR IMMEDIATE RELEASE
December 19, 2007**

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

AND

**IN THE MATTER OF
XIIVA HOLDINGS INC. CARRYING ON BUSINESS AS
XIIVA HOLDINGS INC., XI ENERGY COMPANY,
XI ENERGY AND XI BIOFUELS**

TORONTO – Following a hearing held today, the Commission corrected and extended the Temporary Order to March 25, 2008 and adjourned the hearing in the above matter to March 25, 2008.

A copy of the Order dated December 19, 2007 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1.4.2 Robert Waxman

**FOR IMMEDIATE RELEASE
December 21, 2007**

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

AND

**IN THE MATTER OF
ROBERT WAXMAN**

TORONTO – Following a hearing held today in the above noted matter, the Commission approved the Settlement Agreement between Robert Waxman and Staff of the Commission.

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

OFFICE OF THE SECRETARY
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1.4.3 MRS Sciences Inc. et al.

**FOR IMMEDIATE RELEASE
January 2, 2008**

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

AND

**IN THE MATTER OF
MRS SCIENCES INC.
(FORMERLY MORNINGSIDE CAPITAL CORP.),
AMERICO DEROSA, RONALD SHERMAN,
EDWARD EMMONS AND IVAN CAVRIC**

TORONTO – Following a hearing on December 21, 2007, the Commission adjourned the matter to January 31, 2008 at 10:00 a.m.

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 Pengrowth Energy Trust et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application for exemptive relief to permit issuer and underwriter, acting as agent, to make “at-the-market” prospectus distributions (ATM distributions) to purchasers through facilities of Toronto Stock Exchange (TSX) – issuer proposing to enter into equity distribution agreement with agent and U.S. agent relating to ATM distributions through TSX and through a U.S. exchange – ATM distributions to be made pursuant to shelf prospectus procedures in Part 9 of NI 44-102 Shelf Distributions – issuer will issue a press release and file agreement on SEDAR – issuer will file in connection with ATM distribution (i) a shelf prospectus in the jurisdictions, (ii) a registration statement on Form F-10 with the SEC under the multijurisdictional disclosure system, and (iii) a prospectus supplement describing terms of equity distribution agreement – prospectus qualifies distribution of securities by issuer to purchasers who purchase securities from the issuer pursuant to an ATM distribution – application made in all jurisdictions as equity distribution agreement may result in sales by issuer to purchasers resident in all jurisdictions – application for relief from prospectus delivery requirement in subsection 71(1) of the Securities Act (Ontario) (the Act) and relief from certain prospectus form requirements (including requirements which prescribe language describing purchasers’ statutory rights) – delivery of prospectus not practicable in circumstances of an ATM distribution as agent will generally be unaware of identity of purchasers – ATM distribution model premised on concept of “constructive delivery” (access equals delivery) of prospectus to purchasers as a result of filing of prospectus on SEDAR – relief from prospectus delivery requirement has effect of removing two-day right of withdrawal in subsection 71(2) of the Act and remedies of rescission or damages for non-delivery of the prospectus in 133 of the Act – remedies a purchaser of securities may have against issuer or agent for rescission or damages if prospectus contains a misrepresentation remain unaffected by non-delivery of prospectus and the MRRS decision – relief granted on certain terms and conditions including:

issuer may issue and sell securities in an amount not to exceed 10% of aggregate market value of outstanding securities in accordance with restrictions contained in Part 9 of NI 44-102;

number of securities sold on TSX pursuant to ATM distribution on any trading day may not exceed 25

per cent of the trading volume of the securities on the TSX on that day;

prospectus certificate language modified to ensure that, at the time of each sale of securities pursuant to an ATM distribution, prospectus will contain full, true and plain disclosure of all material facts relating to the issuer and securities being distributed;

agent is registered as an investment dealer in all jurisdictions and will sign prospectus certificate;

issuer will file on SEDAR a report disclosing number and average price of securities distributed over TSX by issuer pursuant to the prospectus filed in connection with ATM distribution as well as gross proceeds, commission and net proceeds within seven calendar days after end of month with respect to sales during prior month;

issuer will also disclose number and average price of securities sold under the ATM distribution as well as gross proceeds, commission and net proceeds in the ordinary course in its annual and interim financial statements and MD&A filed on SEDAR;

prospectus will contain language clearly describing impact of decision on purchasers’ statutory rights; and

decision will terminate 25 months after the issuance of a receipt for the shelf prospectus.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 71(1), 71(2), 133, 147.

Applicable Ontario Rules

National Instrument 44-101 Short Form Prospectus Distributions, Part 8; and Item 20 of Form 44-101F1.

National Instrument 44-102 Shelf Distributions, Part 9; and s. 1.1 of Appendix A.

Citation: Pengrowth Energy Trust, 2007 ABASC 711

September 28, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, ONTARIO, BRITISH COLUMBIA,
SASKATCHEWAN, MANITOBA, QUEBEC,
NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND 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
PENGROWTH ENERGY TRUST
(the Issuer)

AND

SG AMERICAS SECURITIES, LLC (SGAS) AND
FIRSTENERGY CAPITAL CORP. (FCC)
(SGAS and FCC together, the Underwriters,
and together with the Issuer, the Filers)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application (the **Application**):
 - (a) from FCC for a decision under the securities legislation in each Jurisdiction (the **Legislation**) that the requirement that a dealer not acting as agent of the purchaser who receives an order or subscription for a security offered in a distribution to which the prospectus requirement applies deliver to the purchaser or its agent the latest prospectus and any amendment to the prospectus (the **Prospectus Delivery Requirement**), does not apply to FCC or any other Toronto Stock Exchange (**TSX**) participating organization retained by FCC to act as selling agent for FCC (such other TSX participating organization an FCC **Selling Agent**) in connection with the at-the-market distribution (the **ATM Distribution**) as defined in National Instrument 44-102 *Shelf Distributions* (**NI 44-102**) made by the Issuer pursuant to the Equity Distribution Agreement (as defined below);

- (b) from the Issuer for a decision under the Legislation in each Jurisdiction that the requirement to include in a prospectus:
 - (i) a certificate of the Issuer in the form specified in section 1.1 of Appendix A to NI 44-102; and
 - (ii) the statement respecting purchasers' statutory rights of withdrawal and remedies of rescission or damages in the form prescribed by item 20 of Form 44-101F1.(the **Prospectus Form Requirements**) do not apply to a prospectus filed in connection with the ATM Distribution; and
- (c) from the Filers for a decision under the Legislation in each Jurisdiction that the Application and this decision (the **Confidential Material**) be kept confidential and not be made public until the earlier of (i) the date on which the Issuer enters into the Equity Distribution Agreement; (ii) the date the Filers advise the Decision Makers that there is no longer any need for the Confidential Material to remain confidential; and (iii) the date that is 90 days after the date of this decision.

2. Under the Mutual Reliance Review System for Exemptive Relief Applications:
 - (a) the Alberta Securities Commission (the **Commission**) is the principal regulator for the Application; and
 - (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

The Issuer

4. The Issuer is an unincorporated trust established under the laws of the Province of Alberta. The principal office of the Issuer is located in Calgary, Alberta.
5. The Issuer owns, directly or indirectly, 90.9% of the outstanding common shares and 100% of the outstanding royalty units of Pengrowth Corporation, a corporation incorporated under the

Business Corporations Act (Alberta) and 100% of the outstanding common shares of Esprit Exploration Ltd., a corporation incorporated under the *Business Corporations Act* (Alberta).

6. The Issuer is a reporting issuer or equivalent under the Legislation of each of the Jurisdictions and is in compliance in all material respects with the applicable requirements of the Legislation.
7. Trust units (the **Units**) of the Issuer are listed on the TSX and the New York Stock Exchange (NYSE).

The Underwriters

8. Société Générale is a French limited liability company (**Société Anonyme**), registered in France and having the status of a bank. Société Générale is the most important constituent entity of the Société Générale Group (the **Group**). SGAS, a limited liability company formed under the laws of the State of Delaware, is a broker-dealer registered with the SEC under the 1934 Act and a member of the National Association of Securities Dealers, Inc. SGAS is part of the corporate and investment banking arm of the Group.
9. FCC is based in Calgary, Alberta and is registered as an investment dealer under the Legislation of all of the Jurisdictions.

Proposed ATM Distribution

10. The Issuer and Pengrowth Management Limited, the manager of the Issuer, are proposing to enter into an equity distribution agreement (the **Equity Distribution Agreement**) with the Underwriters relating to an ATM Distribution by the Issuer pursuant to the shelf prospectus procedures prescribed by Part 9 of NI 44-102.
11. Prior to making an ATM Distribution, the Issuer will have filed in connection with the ATM Distribution (i) an amended and restated base shelf prospectus (the **Shelf Prospectus**) in the Jurisdictions, (ii) an amendment to the registration statement on Form F-10 dated September 15, 2006 with the SEC under the multijurisdictional disclosure system, and (iii) a prospectus supplement describing the terms of the Equity Distribution Agreement (the **Prospectus Supplement**), both in the Jurisdictions and with the SEC.
12. The Issuer will issue a news release regarding entering into the Equity Distribution Agreement and file the agreement on SEDAR. The news release will indicate that the Shelf Prospectus and Prospectus Supplement have been filed on SEDAR and specify where and how purchasers

may obtain a copy. A copy of the press release will also be posted on the Issuer's website.

13. Under the proposed Equity Distribution Agreement the Issuer may issue and sell Units in an amount not to exceed 10% of the aggregate market value of the outstanding Units calculated in accordance with Section 9.2 of NI 44-102 as at the last trading day of the month before the month in which the first trade under the ATM Distribution arrangement is made.
14. The Underwriters will, in turn, sell Units through methods constituting an at-the-market distribution, including sales made on the TSX through FCC, as underwriter, directly or through an FCC Selling Agent and directly on NYSE through SGAS as underwriter.
15. FCC will act as sole underwriter on behalf of the Issuer in connection with the sale of the Units on the TSX and will be the sole entity paid an underwriting fee or commission by the Issuer in connection with such sales. FCC will sign an underwriter's certificate in the Prospectus Supplement filed on SEDAR. FCC will effect the ATM Distributions on the TSX either itself or through an FCC Selling Agent. If the sales are effected through an FCC Selling Agent, the FCC Selling Agent will be paid a customary seller's commission for effecting the trades. A purchaser's rights and remedies under the Legislation against FCC as underwriter of an ATM Distribution through the TSX will not be affected by a decision to effect the sale directly or through an FCC Selling Agent.
16. The number of Units sold on the TSX pursuant to the ATM Distribution on any trading day will not exceed 25% of the trading volume of the Units on the TSX on that day.
17. The Equity Distribution Agreement will provide that, at the time of each sale of Units pursuant to an ATM Distribution, the Issuer will make a representation to the Underwriters that the prospectus contains full, true and plain disclosure of all material facts relating to the Issuer and the Units being distributed. The Issuer would therefore be unable to proceed with sales pursuant to an ATM Distribution when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the Units.
18. If after the Issuer delivers a sell notice to the Underwriters, the sale of the Units specified in the notice, taking into consideration prior sales, would constitute a material fact, the Issuer would have to suspend sales under the Equity Distribution Agreement until either: (i) it had filed a material change report or amended the prospectus; or (ii) circumstances had changed so that the sales

would no longer constitute a material fact or material change.

19. In determining whether the sale of the number of Units specified in the sell notice would constitute a material fact or material change, the Issuer will take into account a number of factors, including, without limitation: (i) the parameters of the sell notice including the number of Units proposed to be sold; (ii) the percentage of the outstanding Units of that class that number represents; (iii) trading volume and volatility of Units; (iv) recent developments in the business, affairs and capital structure of the Issuer; and (v) prevailing market conditions generally.
20. In addition, SGAS will monitor closely the market's reaction to trades made under the ATM Distribution in order to evaluate the likely market impact of future trades. SGAS has experience and expertise in managing sell orders to limit downward pressure on the stock price. If SGAS has concerns as to whether a particular sell order placed by the Issuer may have a significant effect on the market price of the Units, SGAS will recommend against effecting the trade at that time. It is in the interest of both the Issuer and the Underwriters to minimize the market impact of sales under the ATM Distribution.
21. The underwriter's certificate signed by FCC included in the Prospectus Supplement will be in the form prescribed by section 2.2 of Appendix B to NI 44-102.

Disclosure of Securities Sold in ATM Distribution

22. The Issuer will file on SEDAR a report disclosing the number and average price of Units distributed over the TSX by the Issuer pursuant to the prospectus filed in connection with the ATM Distribution as well as gross proceeds, commission and net proceeds within seven calendar days after the end of the month with respect to sales during the prior month.
23. The Issuer will also disclose the number and average price of Units sold under the ATM Distribution as well as gross proceeds, commission and net proceeds in the ordinary course in its annual and interim financial statements and MD&A filed on SEDAR.

Prospectus Delivery Requirement

24. Pursuant to the Prospectus Delivery Requirement, the dealer effecting the trade of Units on the TSX on behalf of the Issuer as part of an ATM Distribution is required to deliver a prospectus to all investors who purchase such Units on the TSX.
25. The delivery of a prospectus is not practicable in the circumstances of an ATM Distribution as

neither FCC nor an FCC Selling Agent effecting the trade will know the identity of the purchasers.

26. A purchaser is deemed to have relied upon a misrepresentation in a prospectus if it was a misrepresentation at the time of purchase, without regard to whether or not they received the prospectus.

Withdrawal Right

27. Pursuant to the Legislation, an agreement to purchase securities is not binding on the purchaser if the dealer receives, not later than midnight on the second day exclusive of Saturdays and holidays, after receipt by the purchaser of the latest prospectus or any amendment to the prospectus, a notice in writing that the purchaser does not intend to be bound by the agreement of purchase (the **Withdrawal Right**).
28. The Withdrawal Right is not workable in the context of an ATM Distribution because the prospectus will not be delivered as the identity of the purchasers is unknown.

Right of Rescission or Damages for Non-Delivery

29. Pursuant to the Legislation, a purchaser of securities has a right of rescission or damages against a dealer for non-delivery of the prospectus (the **Right of Action for Non-Delivery**).
30. The Right of Action for Non-Delivery is not workable in the context of an ATM Distribution because the prospectus will not be delivered.

Prospectus Form Requirements

31. Exemptive relief from the Prospectus Form Requirements for the Issuer's forward-looking certificate in the Shelf Prospectus is required to reflect that no pricing supplement will be filed subsequent to the Prospectus Supplement. Accordingly, the certificate prescribed by the Prospectus Form Requirements will be deleted and the following substituted therefor:

This short form prospectus, as supplemented, together with the documents incorporated in this prospectus by reference, will as of the date of distribution of the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each Jurisdiction. For the purpose of the Province of Quebec, this simplified prospectus, together with documents

incorporated herein by reference and as supplemented by the permanent information record, will contain no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

32. Exemptive relief from the Prospectus Form Requirements is required to reflect the relief from the Prospectus Delivery Requirement. Accordingly, the Shelf Prospectus will provide that the disclosure under the heading "Purchasers' Statutory Rights" applies except as otherwise stated in a Prospectus Supplement and that the Prospectus Supplement will not include the language prescribed by the Prospectus Form Requirements and will instead include the following disclosure:

Securities legislation in the Jurisdictions provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of Units under the Issuer's at-the-market distribution will not have any right to withdraw from an agreement to purchase the Units and will not have remedies of rescission or damages for non-delivery of the Prospectus because the Prospectus relating to Units purchased by such purchaser will not be delivered as permitted under an MRRS decision document dated ●, 2007.

Securities legislation in the Jurisdictions also provides purchasers with remedies for rescission or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contain a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation in the Jurisdictions that a purchaser of Units under the Issuer's at-the-market distribution may have against the Issuer or the Underwriter for rescission or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contain a misrepresentation remain unaffected by the non-delivery of

the Prospectus and the MRRS decision referred to above.

Purchasers should refer to the applicable provisions of the securities legislation and the MRRS decision document referred to above for the particulars of their rights or consult with a legal adviser.

Decisions

33. 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 decisions has been met.
34. The decision of the Decision Makers under the Legislation is that:
- (a) provided that the disclosure described in sections 22, 31 and 32 is made, the Prospectus Form Requirements do not apply in all Jurisdictions to the prospectus of the Issuer filed in connection with the ATM Distribution;
 - (b) provided that the representations in sections 12, 14, 15 and 16 are complied with, FCC and each FCC Selling Agent are exempt from the Prospectus Delivery Requirement in all Jurisdictions and, as a result, the Withdrawal Right and the Right of Action for Non-Delivery will not apply to the ATM Distribution in all Jurisdictions;
 - (c) the Confidential Materials will be kept confidential and not be made public until the earlier of (i) date on which the Issuer enters into an Equity Distribution Agreement with the Underwriters; and (ii) the date the Filers advise the Decision Makers that there is no longer any need for the Application and this decision to remain confidential; and (iii) the date that is 90 days after the date of this decision; and
 - (d) this decision will terminate on the date that is 25 months after the date on which the Prospectus Supplement is filed in the Jurisdictions.

"Glenda A. Campbell, QC"
Alberta Securities Commission

"Karen A. Prentice, QC"
Alberta Securities Commission

2.1.2 RBC Asset Management Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from the reporting requirements of clause 117(1)(c) of the Securities Act (Ontario) provided that certain disclosure is made in the management reports of fund performance for each mutual fund and that certain records of portfolio transactions are kept.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 117(1)(c), 117(2).

Rules Cited

National Instrument 81-106 – Investment Fund Continuous Disclosure.

December 12, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, 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
RBC ASSET MANAGEMENT INC.
(the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision, under the securities legislation of the Jurisdictions (the **Legislation**), that the provisions of the Legislation requiring a management company, or in British Columbia and New Brunswick, a mutual fund manager, to file a report within thirty days after each month end and in respect of each mutual fund to which it provides services, relating to every purchase or sale effected by such mutual fund through any related person or company with respect to which the related person or company received a fee either from the mutual fund or from the other party to the transaction or both (the **Reporting Requirement**) shall not apply to purchases and sales effected by the Funds through any Related Party (as defined below) (the **Requested Relief**).

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

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

Interpretation

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

Funds means the current and future mutual funds for which the Filer acts as a “management company” as such term is defined in the Legislation or, in British Columbia and New Brunswick, for which the Filer acts as a mutual fund manager.

NI 81-106 means National Instrument 81-106 *Investment Fund Continuous Disclosure*.

Portfolio Advisors means the Filer and any portfolio manager or sub-advisor to the Funds appointed by the Filer.

RBC Dain means RBC Dain Rauscher Inc.

RBC Group of Companies means Royal Bank of Canada and its subsidiaries, including the Filer, RBC Dain, RBCDS and RBCCMC.

RBCCMC means RBC Capital Markets Corporation.

RBCDS means RBC Dominion Securities Inc.

Related Party means RBC Dain, RBCDS, RBCCMC or other related brokers or dealers that are members of the RBC Group of Companies.

Representations

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

Facts

- 1. The Filer is a corporation existing under the laws of Ontario. The Filer's head office is located in Ontario.
- 2. The Filer is registered as an investment counsel and portfolio manager (or equivalent) under the securities legislation of each province and territory of Canada. It is also registered as a limited market dealer in Ontario and Newfoundland and Labrador and as a commodity trading manager in Ontario.

3. The Funds are or will be mutual funds that are reporting issuers in each province and territory of Canada.
4. The Filer is the manager of, and portfolio advisor to, the Funds and accordingly is a "management company" or equivalent under the Legislation. From time to time, the Filer may hire Portfolio Advisors for the Funds.
5. RBCDS is an affiliate of the Filer and is registered as an investment dealer under the securities legislation of each province and territory of Canada.
6. RBCCMC and RBC Dain are U.S.-affiliates of the Filer that act as broker-dealers.
7. RBCDS, RBCCMC and RBC Dain are "related persons or companies" to the Funds within the meaning of the Legislation as RBCDS, RBCCMC and RBC Dain and the Filer are all subsidiaries of Royal Bank of Canada.
8. As disclosed in the annual information forms or prospectuses of the Funds, the Portfolio Advisors may allocate brokerage business of the Funds to a Related Party, provided that such transactions are made on terms and conditions comparable to those offered by unrelated brokers and dealers.
9. The Portfolio Advisors of the Funds have discretion to allocate the brokerage transactions of each Fund in any manner that they believe to be in the Fund's best interests. The purchase or sale of securities effected through a Related Party reflects the business judgement of the Portfolio Advisors uninfluenced by considerations other than the best interests of the Funds. In allocating brokerage, consideration is given to commission rates and to research, execution and other services offered.
10. The Funds prepare and file interim and annual management reports of fund performance (**MRFPs**) that disclose any transactions involving the Related Parties, including the identity of the Related Party, its relationship to the Fund, the purpose of the transaction, the measurement basis used to determine the recorded amount and any ongoing commitments to the Related Party. A discussion of portfolio transactions with a Related Party must include the dollar amount of commission, spread or any other fee that the Fund paid to any Related Party in connection with the transaction.
11. In the absence of the Requested Relief, the Reporting Requirement would obligate the Filer to prepare a report of any purchase or sale of securities by a Fund that is effected through a Related Party and file the report with the Decision Makers within 30 days of the end of the month in which the transaction occurs. This report would have to disclose the issuer of the securities purchased or sold, the class or designation of the securities, the amount or number of securities, the consideration, the name of the Related Party, the name of the person or company that paid the fee to the Related Party and the amount of the fee received by the Related Party.
12. It would be costly and time consuming to provide the information required by the Reporting Requirement on a monthly and segregated basis for each Fund.
13. Exemptive relief from the Reporting Requirement was previously granted to the Filer in 1997 (the **Prior Relief**). The Prior Relief required that the Funds disclose on a semi-annual basis in their statements of portfolio transactions: (i) the total number of securities purchased or sold through a Related Party; (ii) the total consideration for securities purchased or sold through a Related Party; and (iii) the total fees paid by a Fund, the other party to the transaction, or both, to the Related Party.
14. Until NI 81-106 came into force on June 1, 2005, the Legislation required public mutual funds to prepare and file a statement of portfolio transactions on an interim and annual basis.
15. Since the introduction of NI 81-106, mutual funds are no longer required to prepare and file a statement of portfolio transactions. Therefore, the Filer is no longer able to comply with the Prior Relief. However, NI 81-106 now requires mutual funds to prepare and file annual and interim MRFPs that provide disclosure involving related party transactions, including disclosure of portfolio transactions effected through Related Parties, as outlined in paragraph 10 above. NI 81-106 also requires the Funds to disclose whether they have relied on the positive recommendation or approval of the independent review committee to proceed with a related party transaction.
16. The elimination of the requirement to file a statement of portfolio transactions resulted in the Filer being required to file monthly reports regarding purchases and sales of securities effected through a Related Party, and each Fund having to provide similar disclosure regarding such transactions in its interim and annual MRFPs.

Decision

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

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

- (a) the annual and interim MRFPs for each Fund disclose
 - (i) the name of the Related Party,
 - (ii) the amount of fees paid to each Related Party, and
 - (iii) the person or company who paid the fees, if they were not paid by the Fund; and
- (b) the records of portfolio transactions maintained by each Fund include, separately for every portfolio transaction effected by the Fund through a Related Party,
 - (i) the name of the Related Party,
 - (ii) the amount of fees paid to the Related Party, and
 - (iii) the person or company who paid the fees.

"Kevin J. Kelly"
Commissioner
Ontario Securities Commission

"James E. A. Turner"
Commissioner
Ontario Securities Commission

2.1.3 Roundtable Capital Partners Inc. - s. 3.3(4) of OSC Rule 31-502 Proficiency Requirements for Registrants

Headnote

Application for exemption from subsection 3.3(4), whereby the designated registered representative, partner or officer shall be employed at the same location as the associate representative, partner or associate officer whose advice must be approved.

Rules Cited

Ontario Securities Commission Rule 31-502 – Proficiency Requirements for Registrants, ss. 3.3(4) and s. 4.1.

December 19, 2007

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

AND

**IN THE MATTER OF
ROUNDTABLE CAPITAL PARTNERS INC.**

**DECISION
(Subsection 3.3(4) of Ontario Securities Commission
Rule 31-502 – Proficiency Requirements
for Registrants)**

UPON the Director having received the application of Roundtable Capital Partners Inc. (the Applicant) for a decision pursuant to section 4.1 of Ontario Securities Commission Rule 31-502 – *Proficiency Requirements for Registrants* (**Rule 31-502**) granting the Applicant relief from the provision in subsection 3.3(4) of Rule 31-502 requiring an associate advising officer to be supervised by an advising officer, partner or representative who is employed at the same location as the associate advising officer;

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

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

1. The Applicant is registered under the Act as a limited market dealer and investment counsel and portfolio manager. The Applicant's head office is located in Toronto. However, James Allan, the Applicant's only advising officer and Chief Compliance Officer works primarily from the Bahamas.
2. Jonathan Ross has applied for registration as an associate advising officer and trading officer with the Applicant. Mr. Ross is currently employed with

the Applicant at its Toronto office and intends to continue working from this location upon registration.

3. Staff of the Commission have confirmed that Mr. Ross has demonstrated that he meets the proficiency requirements for registration as an associate advising officer and trading officer.
4. Rule 31-502 requires that the registered advising officer, partner or representative be employed at the same location as the associate advising representative, partner or officer whose advice must be approved (the **requirement for supervision from the same location**).
5. The Applicant has provided a description of its policies and procedures which combine the use of modern technology and frequent in person visits to the Toronto office to facilitate adequate supervision of Mr. Ross despite the physical distance between the primary working locations of Mr. Ross and Mr. Allan.

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

IT IS THE DECISION of the Director, pursuant to section 4.1 of Rule 31-502 that the Applicant is granted an exemption from the requirement from subsection 3.3(4) of Rule 31-502 for supervision from the same location for so long as:

- A. The Applicant continues to be registered in the category of investment counsel and portfolio manager in the province of Ontario; or
- B. Mr. Ross ceases to be employed by the Applicant.

DATED at Toronto, Ontario this 19th day of December, 2007

"David M. Gilkes"
Manager, Registrant Regulation

2.1.4 Phillips, Hager & North Investment Management Ltd. and the PH&N Funds - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to permit certain funds to make in-species transfers of debt securities between mutual funds and pooled funds - transfers will comply with conditions in s. 6.1(2) of National Instrument 81-107 - Independent Review Committee for Investment Funds including Independent Review Committee approval.

Applicable Legislative Provisions

National Instrument 81-102 - Mutual Fund, ss. 4.2, 4.3(2), 19.1.

National Instrument 81-107 - Independent Review Committee for Investment Funds, s. 6.1(2).

November 29, 2007

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

AND

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

AND

**IN THE MATTER OF
PHILLIPS, HAGER & NORTH INVESTMENT
MANAGEMENT LTD.
(the Filer)**

AND

THE PH&N FUNDS (as defined below)

MRRS DECISION DOCUMENT

Background

- 1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for relief from section 4.2 of NI 81-102 (the NI 81-102 Self-Dealing Restrictions) to permit the purchase or sale of debt securities and mortgages between Public Funds (as defined below) and Pooled

Funds (as defined below) or Managed Accounts (as defined below) (the Requested Relief).		another PH&N Fund or transferring its or their investment to a Managed Account.
Under the Mutual Reliance Review System for Exemptive Relief Applications:	8	In addition, from time to time the Filer may wish to transfer individual securities, including debt securities and mortgages, held on behalf of a PH&N Fund or a Managed Account to a PH&N Fund in exchange for units of the other PH&N Fund (for example, a Managed Account with a large holding of bonds transferring its bonds to a fixed income-oriented PH&N Fund in exchange for units).
<ul style="list-style-type: none"> (a) the British Columbia Securities Commission is the principal regulator for this application; and (b) this MRRS decision document evidences the decision of each Decision Maker. 		
Interpretation		
2 Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.	9	Where there is a significant outflow of cash from one PH&N Fund in connection with redemptions, the Filer is required to sell portfolio securities to fund the redemptions (unless the applicable PH&N Fund holds a cash balance to fund the redemptions). Where there is a significant inflow of cash into a PH&N Fund in connection with subscriptions for securities, the Filer is required to purchase portfolio securities with the subscription proceeds (unless the Filer determines it is in the best interests of the applicable PH&N Fund to hold the proceeds as cash pending investment).
Representations		
The Filer represents that:		
1 The Filer is a company organized under the laws of British Columbia with a head office in Vancouver, British Columbia.		
2 The Filer is registered as an adviser in the category of portfolio manager and investment counsel (or its equivalent) under the Legislation.	10	The Filer is of the view that where the portfolio securities of the selling PH&N Fund or Managed Account are compatible with the investment objectives and strategies of the purchasing PH&N Fund or Managed Account, it may be in the best interests of the applicable PH&N Funds and/or Managed Accounts for the selling PH&N Fund or Managed Account to sell portfolio securities to the purchasing PH&N Fund or Managed Account (a Cross Transaction). The Filer will only engage in a Cross Transaction between PH&N Funds or between PH&N Funds and Managed Accounts if, in its view, engaging in a Cross Transaction as opposed to similar open-market trades is in the best interests of each of the parties to the trade.
3 The Filer is the manager and promoter of the existing mutual funds listed in Appendix A that are either offered for sale pursuant to a simplified prospectus and annual information form filed in certain provinces and territories of Canada (Public Funds) or offered for sale on a private placement basis pursuant to prospectus exemptions under applicable securities legislation (Pooled Funds and together with the Public Funds, PH&N Funds), and the Filer or an affiliate of the Filer will be the manager and promoter of future PH&N Funds.		
4 The Filer or an affiliate of the Filer is the principal portfolio adviser of the existing PH&N Funds, and the Filer expects that the Filer or an affiliate of the Filer will be the principal portfolio adviser of future PH&N Funds.	11	Cross Transactions of debt securities will be executed through a registered dealer or otherwise be subject to market integrity requirements.
5 State Street Trust Company Canada is the trustee of the existing PH&N Funds, and the Filer expects that State Street Trust Company Canada or another trust company at arm's length to the Filer will be the trustee for future PH&N Funds.	12	Each of the Pooled Funds may be an "associate" of the trustee of the Public Funds.
6 The Filer or an affiliate of the Filer may be the portfolio advisor for fully managed accounts held by clients of the Filer (Managed Accounts).	13	Section 4.3(1) of NI 81-102 states that the NI 81-102 Self-Dealing Restrictions do not apply with respect to a purchase or sale of securities if, among other things, the price payable for the security is not more than the ask price as reported by any available public quotation in common use, in the case of a purchase, or not less than the bid price as reported by any available quotation in common use, in the case of a sale.
7 From time to time, there will be a significant outflow of cash from one PH&N Fund as a result of redemptions by one or more unitholders of one PH&N Fund switching its or their investment to	14	The Filer is not able to rely on section 4.3(1) of NI 81-102 with respect to transactions in mortgages because bid and ask prices for mortgages are not

- reported through any available public quotation in common use.
- 15 Section 4.3(2) of NI 81-102 states that the NI 81-102 Self-Dealing Restrictions do not apply with respect to a purchase or sale of a class of debt securities by a mutual fund from or to, another mutual fund managed by the same manager or an affiliate of the manager, if, at the time of the transaction, among other things, the mutual fund is purchasing from, or selling to, another mutual fund to which National Instrument 81-107 *Independent Review Committees for Investment Funds* (NI 81-107) applies and the transaction complies with section 6.1(2) of NI 81-107. Pursuant to section 6.1(2)(a) of NI 81-107, the applicable transaction must be between investment funds to which NI 81-107 applies. Pursuant to section 1.1 of NI 81-107, NI 81-107 only applies to an investment fund that is a reporting issuer. Accordingly, NI 81-107 only applies to the Public Funds. In addition, pursuant to section 6.1(2)(c) of NI 81-107 the bid and ask price of the security must be readily available. Bid and ask prices for mortgages may not be readily available.
- 16 National Policy Statement No. 29 (NP 29) sets out guidelines relating to investments in mortgages by a mutual fund that is subject to NP 29, including with respect to the determination of the net asset value of mortgages, and provides certain protections to investors in such funds.
- 17 The Filer has established an independent review committee (IRC) for the Public Funds. Although the Filer does not intend to establish a new IRC for the Pooled Funds, the Filer proposes to expand the mandate of the existing IRC to include the review and approval of the transactions covered by the Requested Relief.
- 18 The IRC will consider the policies and procedures of the Filer and will provide its approval on whether the proposed Cross Transactions achieve a fair and reasonable result in accordance with section 5.2(2) of NI 81-107.
- 19 In the absence of the Requested Relief, the Filer would be prohibited by the NI 81-102 Self-Dealing Restrictions from causing the Public Funds to engage in Cross Transactions in mortgages with other PH&N Funds or Managed Accounts.
- (a) each Cross Transaction of debt securities is made in accordance with section 6.1(2) of NI 81-107, other than the requirement in section 6.1(2)(a) that the transaction be between investment funds to which NI 81-107;
- (b) with respect to each Cross Transaction of mortgages
- (i) the Cross Transaction has been approved by the IRC in accordance with section 5.2(2) of NI 81-107;
- (ii) the mortgages are acquired at a price equal to the net asset value of the mortgages determined in accordance with the applicable Fund's valuation principles and NP 29 (or any successor policy or instrument);
- (iii) the applicable Fund(s) keeps the written records required by section 6.1(2)(g) of NI 81-107; and
- (iv) the applicable Fund(s) receives no consideration and the only cost for the trade is the nominal cost incurred by the Fund(s) to print or otherwise display the trade;
- (c) if securities are being traded from a Managed Account, the Managed Account holder has consented to trades from that account to a PH&N Fund; and
- (d) where required, the Filer files reports of Cross Transactions in the forms and within the times required under the Legislation.

"Martin D. Eady"
 Director, Corporate Finance
 British Columbia Securities Commission

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:

Appendix A

List of PH&N Funds

Public Funds

Phillips, Hager & North U.S. Equity Fund Phillips, Hager & North Canadian Equity Plus Pension Trust Phillips, Hager & North Bond Fund Phillips, Hager & North Canadian Equity Fund Phillips, Hager & North Dividend Income Fund Phillips, Hager & North Vintage Fund Phillips, Hager & North Canadian Money Market Fund Phillips, Hager & North Canadian Growth Fund Phillips, Hager & North Balanced Pension Trust Phillips, Hager & North U.S. Money Market Fund Phillips, Hager & North Balanced Fund Phillips, Hager & North U.S. Growth Fund Phillips, Hager & North Short Term Bond & Mortgage Fund Phillips, Hager & North Small Float Fund Phillips, Hager & North Canadian Equity Pension Trust Phillips, Hager & North High Yield Bond Fund Phillips, Hager & North Total Return Bond Fund Phillips, Hager & North Global Equity Fund Phillips, Hager & North Overseas Equity Fund Phillips, Hager & North Overseas Equity Pension Trust Phillips, Hager & North U.S. Dividend Income Fund Phillips, Hager & North Community Values Bond Fund Phillips, Hager & North Community Values Balanced Fund Phillips, Hager & North Community Values Canadian Equity Fund Phillips, Hager & North Community Values Global Equity Fund Phillips, Hager & North Canadian Income Fund Phillips, Hager & North Currency-Hedged U.S. Equity Fund Phillips, Hager & North Currency-Hedged Overseas Equity Fund BonaVista Global Balanced Fund BonaVista Canadian Equity Value Fund

Pooled Funds

Phillips, Hager & North U.S. Pooled Pension Fund Phillips, Hager & North Global Equity Pension Trust Phillips, Hager & North Institutional S.T.I.F. Phillips, Hager & North Long Bond Pension Trust Phillips, Hager & North High Grade Corporate Bond Fund Phillips, Hager & North Investment Grade Corporate Bond Trust Phillips, Hager & North Mortgage Pension Trust Phillips, Hager & North Absolute Return Fund Phillips, Hager & North Income Equity Pension Trust Phillips, Hager & North Enhanced Income Equity Pension Trust Phillips, Hager & North PRisM – Short Phillips, Hager & North PRisM – Mid Phillips, Hager & North PRisM – Long Phillips, Hager & North Long Mortgage Pension Trust Phillips, Hager & North Long Corporate Bond Pension Trust Phillips, Hager & North Long Duration Swap Fund Phillips, Hager & North Foreign Bond Fund Phillips, Hager & North PRisM Balanced Fund

2.1.5 MRF 2007 II Resource Limited Partnership and Middlefield Fund Management Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemptions granted to flow-through limited partnerships from the requirements in National Instrument 81-106 Investment Fund Continuous Disclosure to file an annual information form, to maintain and prepare an annual proxy voting record, to post the proxy voting record on their website, and to provide it to securityholders upon request – Flow-through limited partnerships are short-term investment vehicles formed solely to invest its available funds in flow-through shares of resource issuers – The securities of flow-through limited partnerships are not redeemable and there is no readily available secondary market for the securities – A flow-through limited partnership's prospectus and other continuous disclosure documents will provide all relevant information necessary for investors to understand the investment objectives and strategies, financial position and future plans.

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 9.2, 10.3, 10.4, 17.1.

December 18, 2007

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,
NOVA SCOTIA, YUKON 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
MRF 2007 II RESOURCE LIMITED PARTNERSHIP
(the Partnership) AND
MIDDLEFIELD FUND MANAGEMENT LIMITED
(the Filer)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer on behalf of the Partnership and each future limited partnership that is established from time to time in a similar manner by the Filer or an affiliate of the Filer acting as general partner and that is identical to

the Partnership in all respects which are material to this decision (the **Future Partnerships**, and together with the Partnership, the **Partnership Filers**), for an exemption under the securities legislation of the Jurisdictions (the **Legislation**) from:

- (i) the requirement in section 9.2 of National Instrument 81-106 – *Investment Fund Continuous Disclosure* (**NI 81-106**) to file an annual information form (**AIF**),
- (ii) the requirement in section 10.3 of NI 81-106 to maintain a proxy voting record (**Proxy Voting Record**), and
- (iii) the requirements in section 10.4 of NI 81-106 to prepare a Proxy Voting Record on an annual basis for the period ending June 30 of each year, to post the Proxy Voting Record on the Partnership Filers' website no later than August 31 of each year, and to send the Proxy Voting Record to the limited partners of the Partnership Filers (the **Limited Partners**) upon request

((i), (ii) and (iii) are collectively, the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

Representations

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

- 1. The principal office of the Partnership is located at 1 First Canadian Place, 58th Floor, P.O. Box 192, Toronto, Ontario, M5X 1A6.
- 2. The Partnership was formed to invest in certain common shares (**Flow-Through Shares**) of companies involved primarily in oil and gas, mining or renewable energy exploration and development (**Resource Companies**) pursuant to agreements (**Resource Agreements**) between the Partnership and the relevant Resource Company. Under the terms of each Resource Agreement, the Partnership will subscribe for Flow-Through Shares of the Resource Company and the Resource Company will agree to incur and renounce to the Partnership, in amounts equal to the subscription price of the Flow-

Through Shares, expenditures in respect of resource exploration and development which qualify as Canadian exploration expense or as Canadian development expense which may be renounced as Canadian exploration expense to the Partnership. Any Future Partnership will have similar investment objectives as the Partnership.

- 3. The Partnership is a limited partnership formed pursuant to the *Limited Partnerships Act* (Ontario) on February 5, 2007. On September 10, 2007, the Partnership became a reporting issuer in each of the Jurisdictions and in Prince Edward Island and received a receipt dated September 10, 2007 issued under MRRS with respect to a final prospectus (the **Prospectus**) dated September 7, 2007, offering for sale up to 2,000,000 limited partnership units of the Partnership at a price of \$25 per unit. No additional limited partnership units of the Partnership have been or will be issued.
- 4. On or about February 2, 2010, the Partnership will be dissolved and the Limited Partners will receive their pro rata share of its net assets.
- 5. The Filer is the general partner of the Partnership. As general partner, the Filer has exclusive authority to manage the operations and affairs of the Partnership, to make all decisions regarding the business of the Partnership and to bind the Partnership. The Future Partnerships will be structured in a similar fashion.
- 6. It is the current intention of the Filer that the Partnership enter into an agreement with Middlefield Mutual Funds Limited (the **Mutual Fund**), an open-ended mutual fund, whereby assets of the Partnership would be exchanged for redeemable shares of the Growth Class of the Mutual Fund. Upon dissolution of the Partnership, the Limited Partners of the Partnership would then receive their pro rata share of the shares of the Growth Class of the Mutual Fund.
- 7. Each Partnership Filer is, or will be, a short-term special purpose vehicle which will be dissolved within approximately 2 years of its formation. The primary investment purpose of each Partnership Filer is not to achieve capital appreciation, although this is a secondary benefit, but rather to obtain for the Limited Partners the significant tax benefits that accrue when Resource Companies renounce resource exploration and development expenditures to the Partnership Filer through the Flow-Through Shares.
- 8. Since its formation, the Partnership's activities have been limited to (i) completing the issue of the securities described in the Prospectus, (ii) investing available funds in Flow-Through Shares of Resource Companies as disclosed in the Prospectus, and (iii) incurring expenses as

described in the Prospectus. The activities of any Future Partnerships will be limited similarly.

9. The limited partnership units of each Partnership Filer (the **Units**) are not and will not be listed or quoted for trading on any stock exchange or market. The Units are not redeemable by the Limited Partners. Generally, Units are not transferred by Limited Partners since Limited Partners must be holders of the Units on the last day of each fiscal year of the Partnership Filer in order to obtain the desired tax deduction.
10. Given the limited range of business activities to be conducted by the Partnership Filers, the short duration of their existence and the nature of the investment of the Limited Partners, the preparation and distribution of an AIF by the Partnership Filers will not be of any benefit to the Limited Partners and may impose a material financial burden on the Partnership Filers. The prospectus, the financial statements and management report of fund performance of a Partnership Filer provide, or will provide, sufficient information necessary for a Limited Partner to understand the relevant Partnership Filer's business, its financial position and its future plans, including the mutual fund rollover transaction. Upon the occurrence of any material change to a Partnership Filer, Limited Partners would receive all relevant information from the material change reports the Partnership Filer is required to file with the Decision Makers.
11. As a result of the implementation of NI 81-106, investors purchasing Units of a Partnership Filer were, or will be, provided with a prospectus containing written policies on how the Flow-Through Shares or other securities held by a Partnership Filer are voted (the **Proxy Voting Policies**), and had, or will have, the opportunity to review the Proxy Voting Policies before deciding whether to invest in Units.
12. The Proxy Voting Policies require that the Partnership exercise its voting rights in respect of securities of an issuer if more than 4% of the Partnership's net assets are invested in that issuer. The Partnership does not intend to exercise its voting rights where less than 4% of its net assets are invested in an issuer, but may, in its sole discretion, decide to vote in such circumstances.
13. Pursuant to its Proxy Voting Policies and because the Partnership invests in a number of issuers which generally do not represent more than 4% of the Partnership's net assets, the Partnership is not usually required to exercise its voting rights. Each Future Partnership expects to have similar proxy voting policies.

14. Given the short lifespan of a Partnership Filer, the production of a Proxy Voting Record would provide Limited Partners very little opportunity for recourse if they disagreed with the manner in which the Partnership Filer exercised or failed to exercise its proxy voting rights, as the Partnership Filer would likely be dissolved by the time any potential change could materialize.
15. Preparing and making available to Limited Partners a Proxy Voting Record will not be of any benefit to Limited Partners and may impose a material financial burden on the Partnership Filers.

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.

"Vera Nunes"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.6 Gateway Casinos Income Fund - s. 1(10)(b)

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)(b).

December 19, 2007

Gowling Lafleur Henderson LLP

Suite 2600
160 Elgin Street
Ottawa, Ontario
Canada K1P 1C3

Dear Mr. Boehm:

Re: Gateway Casinos Income Fund (the “Applicant”) – application for an order not to be a reporting issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”)

The Applicant has applied to the local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions for a decision under the securities legislation (the “Legislation”) of the Jurisdictions not to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that:

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

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision

Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

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

2.1.7 Golf Town Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer is not a reporting issuer.

Applicable Ontario Statutory Provisions

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

December 19, 2007

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,
QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA,
NEWFOUNDLAND AND LABRADOR,
YUKON, AND NUNAVUT
(the “Jurisdictions”)

AND

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

AND

IN THE MATTER OF
GOLF TOWN INCOME FUND
(the “Filer”)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) that the Filer is not a reporting issuer in the Jurisdictions (the “**Requested Relief**”).

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

Interpretation

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

Representations

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

- (a) the Filer’s head office is located in Markham, Ontario;

- (b) pursuant to the terms of a transaction agreement between OCPI Golf Inc., OMERS Capital Partners Inc., the Filer and Golf Town Limited Partnership dated August 10, 2007, OCPI Golf Inc. purchased all of the issued and outstanding common shares and promissory notes of Golf Town Canada Inc., an indirect subsidiary of the Filer, on September 28, 2007 (the “**Transaction**”);
- (c) in connection with the Transaction on October 2, 2007, the Filer redeemed all of its units held by the public for cash (the “**Redemption**”);
- (d) As a result of the Redemption:
 - 1. the outstanding securities of the Filer, 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; and
 - 2. no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*; and
- (e) the Filer is currently in default of its obligation to file the following documents on SEDAR: (a) the interim financial statements and the management’s discussion and analysis for the interim period ended on September 30, 2007; and (b) the certifications of the documents for the interim period ended on September 30, 2007. However, as all of the securities of the Filer were owned by OCPI Golf Inc. on the date such filings were required to be made, the security holders of the Filer have not been prejudiced by this default.
- (f) 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 (other than in the Province of British Columbia, where the Filer has voluntarily surrendered its reporting issuer status under British Columbia Instrument 11-502 - *Voluntary Surrender of Reporting Issuer Status*).

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.

“Lawrence E. Ritchie”
Vice-Chair

“Suresh Thakrar”
Commissioner

2.1.8 Timbercreek Asset Management Inc. and Timbercreek Mortgage Investment Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from investment restrictions prohibiting a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder - Mutual fund sold pursuant to available exemptions from prospectus and dealer registration requirements investing all net proceeds from sales in units of related Limited Partnership - Mutual fund is a "substantial security holder" of the Partnership - Relief granted subject to certain conditions.

Applicable Ontario Statutory Provisions

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

December 12, 2007

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

AND

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

AND

**IN THE MATTER OF
TIMBERCREEK ASSET MANAGEMENT INC.
(the "Filer")**

AND

**IN THE MATTER OF
TIMBERCREEK MORTGAGE INVESTMENT FUND
(the "Fund")**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Filer, on behalf of the Fund for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") exempting the Fund from the investment restrictions contained in the Legislation which prohibit a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securitholder (the "**Requested Relief**").

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Ontario) with its head office in Toronto, Ontario.
2. The Filer is responsible for management of the day-to-day activities of the Fund and the Partnership (as defined below).
3. Until such time as the Filer becomes registered with the Ontario Securities Commission in the categories of investment counsel and portfolio manager, the Fund and the Partnership have each retained Summerwood Capital Corp. to act as portfolio manager to provide investment advisory services to the Fund and the Partnership, respectively.
4. The Fund is an unincorporated open-ended investment trust which was formed on March 5, 2007 under the laws of Ontario and is governed by a declaration of trust dated March 5, 2007 (the "**Declaration of Trust**"), as it may be further amended from time to time. The Fund is not a reporting issuer. Pursuant to the Declaration of Trust, the majority of the trustees of the Fund are independent.
5. Timbercreek Mortgage Limited Partnership (the "**Partnership**") was formed upon the filing of a declaration of limited partnership on January 17, 2007, as amended on March 5, 2007 and is governed by a Limited Partnership Agreement, dated February 28, 2007, between Timbercreek Mortgage Fund GP Inc. (the "**General Partner**"), the Filer, as the initial limited partner, and each party that subsequently joins the Partnership (the "**Limited Partnership Agreement**").
6. All of the issued and outstanding shares of the General Partner are held by the Filer. The General Partner is responsible for the control of the business affairs of the Partnership pursuant to the Limited Partnership Agreement, and has

- appointed the Filer to advise in respect of its business and investments.
7. The Fund was created by the Filer in order to provide indirect exposure to the investment portfolio of the Partnership and its investment strategies through, primarily, direct investments by the Fund in units of the Partnership.
8. The Fund is being sold in Canada to investors on a continuous basis pursuant to available exemptions from the prospectus and dealer registration requirements in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions* ("NI 45-106"). An offering memorandum (the "**Offering Memorandum**") in respect of the Fund is available to investors of the Fund.
9. The Partnership is not a reporting issuer and its units are not offered to the public. Pursuant to the Limited Partnership Agreement, the Partnership may not issue any units of the Partnership subsequent to the initial issue of units of the Partnership to the initial limited partner and to the Fund, unless the Fund consents.
10. The objectives of the Fund are (i) to provide holders of units with stable cash distributions, payable quarterly from indirect investments in "authorized investments" meeting the criteria described in the Offering Memorandum, and (ii) to preserve unitholder capital.
11. The Fund intends to meet its objectives by investing in units of the Partnership, which, in turn, invests in a diversified pool of mortgage loans secured by real assets. The Fund may hold interests in the Partnership directly or through a wholly-owned person.
12. The Partnership invests in first mortgages, second mortgages and interim investments, which generally include cash and cash equivalents and MBS pools that are rated "A" or higher.
13. The Fund is a "substantial security holder" in the Partnership pursuant to the Legislation at any time the Fund, alone or together with one or more related mutual funds, holds more than 20% of the outstanding units of the Partnership. On the first closing, the Fund was not a substantial security holder and purchases of units of the Partnership were made. It was initially determined that the investment restrictions in the Legislation described in this decision document did not apply, and the Fund made additional investments in units of the Partnership. Upon a subsequent determination that the Fund could be considered a "mutual fund" for purposes of the Legislation and the Requested Relief was required, an application was promptly submitted. The Fund currently holds all of the outstanding units of the Partnership.
14. Unitholders of the Fund are entitled to require the Fund to redeem, on a monthly basis, at the demand of the holders, the units of the Fund registered in their name for the specified redemption price, which subject to the limitation described below, is the net asset value per unit. However, in the event that the total amount payable by the Fund in respect of all units tendered for redemption in the same calendar month exceeds a specified limit (which may be waived by the trustees), such units will be redeemed in exchange for an amount equal to the fair market value of the units tendered for redemption, as determined by the trustees in their sole discretion. Such redemptions may be paid by way of a combination of cash and an in specie distributions of Fund assets. The Fund may also suspend redemptions of units in specified circumstances, including if the disposal of assets of the Fund is not reasonably practicable.
15. In connection with the purchase of units of the Partnership by the Fund, the Filer will ensure that the arrangements between or in respect of the Fund and the Partnership are such as to avoid the duplication of management fees or incentive fees. In addition, no sales or redemption fees are payable by the Fund in relation to its purchases or redemptions of units of the Partnership.
16. Unitholders of the Fund will have access to copies of the Fund's interim financial statements and audited financial statements which will include disclosure of the Partnership's investments.
17. In the absence of the Requested Relief, the Fund would be precluded from purchasing or holding units of the Partnership due to the investment restrictions contained in the Legislation.
18. The investments by the Fund in units of the Partnership represent the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund. Such investments are part of the structure of the Fund rather than an individual portfolio investment decision.

Decision

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

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

1. units of the Fund are sold solely pursuant to available prospectus and dealer registration exemptions in accordance with NI 45-106;

2. no management or incentive fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the Partnership for the same service;
3. no sales or redemption fees are payable by the Fund in relation to its purchases or redemptions of units of the Partnership;
4. the Filer does not vote the units of the Partnership that are held by the Fund, unless the Fund is the sole owner of Partnership units at the time of the meeting or effective date of the written resolution; and
5. the Offering Memorandum of the Fund discloses:
 - (a) that the Fund intends to invest all net proceeds from the sale of its units in Partnership units; and
 - (b) the fact that both the Fund and the Partnership are managed by the Filer.

"David L. Knight"
Commissioner
Ontario Securities Commission

"Carol S. Perry"
Commissioner
Ontario Securities Commission

2.1.9 Lorus Therapeutics Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer engaged in reorganization whereby issuer will transfer all of its assets and liabilities to new issuer – issuer's securityholders will transfer securities of issuer in exchange of securities of new issuer – third party to acquire shares of issuer – significant shareholder of issuer to receive collateral benefit within meaning of OSC Rule 61-501, resulting in reorganization constituting "business combination" – issuer to obtain minority approval of reorganization – issuer exempt from valuation requirement.

Applicable Ontario Statutory Provisions

OSC Rule 61-501 Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions, ss. 4.3, 9.1.

June 22, 2007

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

AND

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

AND

**IN THE MATTER OF
LORUS THERAPEUTICS INC.
(the Company)**

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 Company for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Corporation be exempt from the valuation requirements in section 4.3 of Rule 61-501 and Section 4.3 of Regulation Q-27 in connection with the Arrangement (defined below) (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications

1. the Ontario Securities Commission is the principal regulator for this application;
2. this MRRS decision document evidences that 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 section.

Representations

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

1. The Company was incorporated under the laws of the Province of Ontario on September 5, 1986 under the name RML Medical Laboratories Inc. On October 28, 1991, RML Medical Laboratories Inc. amalgamated with Mint Gold Resources Ltd., resulting in the Company becoming a reporting issuer in Ontario on such date. On August 25, 1992, the Company changed its name to IMUTEC Corporation. On November 27, 1996, the Company changed its name to Imutec Pharma Inc., and on November 19, 1998, the Company changed its name to Lorus Therapeutics Inc. On October 1, 2005 the Company was continued under the laws of Canada.
2. The Company is authorized to issue an unlimited number of common shares (**Shares**). As of April 30, 2007, 211,610,130 Shares were issued and outstanding.
3. The Company is a reporting issuer in each of the Jurisdictions where such a concept exists and is not in default of any of its obligations as a reporting issuer.
4. On May 1, 2007, the Company announced the entering into of agreements in connection with an arrangement (the **Arrangement**) among the Company, NuChem Pharmaceuticals Inc. (**NuChem**), GeneSense Technologies Inc. (**GeneSense**), 6650309 Canada Inc. (**New Lorus**), Pinnacle International Lands, Inc. and 6707157 Canada Inc. (**Investor**) under Section 192 of the *Canada Business Corporations Act*.
5. Pursuant to the Arrangement (which includes a reorganization of the Company's share capital as contemplated by the Arrangement):
 - (a) the Company will transfer, directly or indirectly, all of its assets at their fair market value and all of its liabilities to New Lorus; and
 - (b) Investor, an affiliate of Pinnacle International Lands, Inc., will acquire from the Company and certain of its principal shareholders an aggregate of approximately 41% of the Voting Shares and 100% of the Non-Voting Shares of the Company (as defined below).

6. The following is a brief summary of certain steps that will occur as part of the Arrangement:
 - (a) the securityholders of the Company will transfer their common shares (Shares), options and warrants in the Company in exchange for the issuance by New Lorus of common shares (New Lorus Shares), options and warrants having the same value, terms and conditions as the Shares, options and warrants of the Company;
 - (b) the share capital of the Company will be reorganized into two classes of shares, voting shares (the Voting Shares) and non-voting shares (the Non-Voting Shares);
 - (c) New Lorus will assume certain of the Company's existing liabilities;
 - (d) the Company will transfer its assets (other than the shares of GeneSense and NuChem) to GeneSense;
 - (e) GeneSense will transfer its intellectual property assets to New Lorus;
 - (f) the Company will transfer its shares of GeneSense and NuChem to New Lorus;
 - (g) New Lorus will change its name to "Lorus Therapeutics Inc.";
 - (h) the Company will assign all of its contractual obligations to New Lorus;
 - (i) New Lorus will offer employment to all of the employees of the Company and will assume all employment obligations related thereto;
 - (j) the Investor will purchase approximately 15% of the Voting Shares and 100% of the Non-Voting Shares from New Lorus in consideration of a cash payment; and
 - (k) in connection with the Arrangement, shareholders of the Company (other than those referred to in paragraph 7, below) will receive, in addition to the New Lorus Shares referred to above, approximately 0.08 Voting Shares for each Share held by them.
7. In connection with the Arrangement, the Investor will purchase the Voting Shares of the Company otherwise distributable to High Tech Beteiligungen GmbH & Co. KG (**High Tech**), another shareholder of the Company (**Other Shareholder**), and holders of Shares resident in the United States. Each purchase will occur at the

price per share equal to that paid by the Investor in paragraph 6(j), above.

8. The Other Shareholder is not a “related party” of the Company within the meaning of the Legislation.
9. According to documents filed by High Tech with the Decision Makers, as at August 30, 2006, High Tech is the beneficial and registered holder of approximately 14.1% of the Company’s issued and outstanding Shares, which the Company currently estimates to represent approximately 13.7% of its issued and outstanding shares as at May 25, 2007.
10. In connection with the Arrangement, High Tech will receive:
 - (a) that number of common shares in the capital of New Lorus equal to that number of Shares it holds in the Company as at the effective date of the Arrangement (the **Effective Date**); and
 - (b) approximately 2,448,000 Voting Shares (the **High Tech Voting Shares**) representing, in aggregate, approximately 13.7% of the remaining Voting Shares of the Company as at the Effective Date.
11. Subject to regulatory approval, the Investor has entered into an agreement with High Tech to purchase the High Tech Voting Shares (the **Share Purchase**). The consideration would be a nominal value equivalent to that portion of the Purchase Price attributable to the Voting Shares.
12. The Company has agreed to pay all third party and out of pocket costs of High Tech in respect of the Share Purchase, estimated to be approximately \$10,000.
13. Solely as a consequence of the Share Purchase, the Arrangement constitutes a “business combination” or “going private transaction” within the meaning of the Legislation, and is therefore subject to the minority approval requirements (the **Minority Approval Requirements**) and the valuation requirements contained in the Legislation.
14. The Company intends to comply with the Minority Approval Requirements in connection with the Arrangement.
15. The Share Purchase is a condition precedent to the Investor’s participation in the Arrangement. The Arrangement is intended to improve the financial position of the Company, will not adversely affect the Company or the rights of any of the Securityholders and will not materially affect

control of the Company. The Share Purchase will not adversely affect the Company or the rights of any of the Securityholders and will not materially affect control of the Company.

16. Securityholders of the Company will transfer their Shares, options and warrants in the Company in exchange for the issuance by New Lorus of New Lorus Shares, options and warrants having the same value, terms and conditions as the Shares, options and warrants of the Company. The business to be carried on by New Lorus will be the same as that carried on by the Company prior to the entering into of the Arrangement.

Decision

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

The decision of the Decision Maker in Ontario is that the Requested Relief is granted.

“Naizam Kanji”
Manager, Mergers & Acquisitions
Ontario Securities Commission

2.1.10 Brookfield Infrastructure Partners L.P. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – entity to spin off issuer to entity's security holders – issuer to have interest in underlying assets – entity to hold interest in issuer through units of entity underlying issuer – units redeemable into units of issuer – issuer may include entity's indirect interest in issuer when calculating issuer's market capitalization for purposes of using 25% market capitalization exemption for certain related party transactions.

Applicable Ontario Statutory Provisions

OSC Rule 61-501 Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions, ss. 5.4, 5.6, 9.1.

December 21, 2007

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

AND

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

AND

IN THE MATTER OF
BROOKFIELD INFRASTRUCTURE PARTNERS L.P.
(the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) granting the Filer an exemption from the Minority Protections (defined below) in connection with any related party transaction of the Filer entered into indirectly through Brookfield Partnership, the Holding Entities or the operating entities (as each of such terms is defined below) (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. In addition, **Brookfield** means Brookfield Asset Management and its affiliates other than the Filer, the Brookfield Partnership and subsidiaries of the Brookfield Partnership.

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

Representations

Background

1. Brookfield Asset Management Inc. (**Brookfield Asset Management**) is a corporation formed under the laws of the Province of Ontario.
2. Brookfield Asset Management is and has been a reporting issuer (or the equivalent) for a period in excess of 12 months in each Jurisdiction.
3. The Filer and its related entities are being established by Brookfield Asset Management as its primary vehicle to own and operate certain infrastructure assets on a global basis.
4. The proposed structure for the Filer and the spin-off is as follows:
 - (a) The Filer is a newly formed Bermuda exempted limited partnership that was established on May 21, 2007.
 - (b) Brookfield Asset Management intends to make a special dividend to holders of its common shares of 100% of the limited partnership interests (the **BIP Units**) in the Filer (the **spin-off**).
 - (c) Immediately following the spin-off, the Filer's sole asset will be an approximate 60% limited partnership interest in Brookfield Infrastructure L.P. (the **Brookfield Partnership**), a newly formed Bermuda exempted limited partnership that was established on August 17, 2007.
 - (d) Brookfield Infrastructure Partners Limited, which serves as the general partner of the Filer (the **Managing General Partner**), will hold the general partner interest in the Filer.
 - (e) The affairs of the Filer, which will be a publicly traded limited partnership following the spin-off, will be carried on by the Managing General Partner. The Managing General Partner is an indirect wholly-owned subsidiary of Brookfield

- Asset Management that is an exempted company existing under the laws of Bermuda. The Filer will enter into a management agreement (the **Master Services Agreement**) with Brookfield related entities (collectively, the **Manager**) to provide the Filer, the Brookfield Partnership and its direct wholly owned subsidiaries and indirect subsidiaries (the **Holding Entities**) with management and other services.
- (f) The principal activity of the Brookfield Partnership will be to hold all the common shares of the Holding Entities, which hold interests in operating entities that will hold timber, electricity transmission and other infrastructure-related assets or operations (collectively, the **operating entities**). Brookfield will provide an aggregate of US\$20 million of working capital to certain Holding Entities through a subscription of preferred shares of such Holding Entities.
- (g) One or more wholly owned subsidiaries of Brookfield Asset Management will hold an approximate 1% general partner interest and the remaining 39% limited partnership interest in the Brookfield Partnership (the **Brookfield Units**).
- (h) The affairs of the Brookfield Partnership will be carried on by the Brookfield Partnership's general partner (**Infrastructure GP LP**), an exempted Bermuda limited partnership, all the interests of which will be held by Brookfield.
- (i) Brookfield Asset Management will hold its interest in the Filer through Brookfield Units rather than BIP Units because of certain US tax implications. Pursuant to a redemption exchange mechanism (the **Redemption Exchange Mechanism**), which is described in greater detail in the Filer's preliminary prospectus dated July 26, 2007 (the **Prospectus**), at any time after two years from the date of closing of the spin-off, Brookfield will have the right to require the Brookfield Partnership to redeem all or a portion of the Brookfield Units for cash. It may exercise its right of redemption by delivering a notice of redemption to the Brookfield Partnership and the Filer. After presentation for redemption, it will receive, subject to the Filer's rights described below, for each Brookfield Unit that is presented, cash in an amount equal to the market value of one BIP Unit multiplied by the number of Brookfield Units to be redeemed (as determined by reference to the five day volume weighted average of the trading price of BIP Units and subject to certain customary adjustments). Upon its receipt of the redemption notice, the Filer will have a right of first refusal entitling it, at its sole discretion, to elect to acquire all (but not less than all) of the Brookfield Units so presented to the Brookfield Partnership in exchange for BIP Units, on a one for one basis (subject to certain customary adjustments). Based on the number of BIP Units expected to be issued on the spin-off, Brookfield would receive an aggregate limited partnership interest in the Filer equal to 39% if it exercised its redemption right in full and the Filer exercised its right of first refusal.
- (j) The Filer is not a reporting issuer but will become a reporting issuer in all provinces and territories of Canada upon obtaining a receipt for its final prospectus.
- (k) Brookfield will acquire BIP Units in connection with the satisfaction of Canadian federal and U.S. "backup" withholding tax requirements upon the spin-off and as a result of the fact that no fractional BIP Units will be distributed pursuant to the spin-off.
- (l) Following the spin-off, BIP Units will be listed and posted for trading on the New York Stock Exchange.
5. As disclosed in the Prospectus, the Filer may enter into transactions with certain related parties, including the Managing General Partner, Infrastructure GP LP, the Manager and Brookfield Asset Management, either directly or indirectly through Brookfield Partnership, the Holding Entities or the operating entities in which the Holding Entities hold interests.
6. If the Legislation applies to a related party transaction by an issuer and the transaction is not otherwise exempt:
- (a) the issuer must obtain a formal valuation of the transaction prepared by an independent valuator; and
- (b) the issuer must obtain approval of the transaction by disinterested holders of the affected securities of the issuer (together, requirements (a) and (b) are referred to as the **Minority Protections**).
7. A related party transaction that is subject to the Legislation may be exempt from the Minority Protections if at the time the transaction is agreed

to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction exceeds 25% of the issuer's market capitalization.

8. The Filer may not be entitled to rely on the automatic transaction size exemptions available under the Legislation from the requirements relating to related party transactions in the Legislation because the definition of market capitalization in the Legislation does not contemplate securities of another entity that are exchangeable into equity securities of the issuer.
9. The Brookfield Units represent part of the equity value of the Filer and provide the holder of the Brookfield Units with economic rights which are, as nearly as possible except for tax implications, equivalent to the BIP Units. Taken together, the effect of Brookfield's redemption right and the Filer's right of first refusal is that one or more wholly-owned subsidiaries of Brookfield will receive BIP Units, or the value of such units, at the election of the Filer. Moreover, the economic interests that underlie the Brookfield Units are identical to those underlying the Filer's units; namely, the assets and operations held directly or indirectly by the operating entities.
10. If the Brookfield Units are not included in the market capitalization of the Filer, the equity value of the Filer will be understated by the value of Brookfield's limited partnership interest in the Brookfield Partnership (initially, approximately 39%). As a result, related party transactions by the Filer that are entered into indirectly through Brookfield Partnership, the Holding Entities or the operating entities may be subject to the Minority Protections in circumstances where the fair market value of the transactions are effectively less than 25% of the fully diluted market capitalization of the Filer.

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 be granted to the Filer provided that:

- (a) the transaction would qualify for the market capitalization exemption contained in the Legislation if the Brookfield Units were considered an outstanding class of equity securities of the Filer that were convertible into BIP Units;
- (b) there be no material change to the terms of the Redemption Exchange Mechanism, as described above and in the Prospectus; and

- (c) the Filer's final prospectus, and any annual report or equivalent that is required to be filed in accordance with applicable securities laws, contain the following disclosure, with any immaterial modifications as the context may require:

"Each of Ontario Securities Commission Rule 61-501 ("Rule 61-501") and Regulation Q-27 of the Autorité des Marchés financiers ("Regulation Q-27") provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction is not more than 25% of the market capitalization of the issuer. Brookfield Infrastructure Partners L.P. has applied for exemptive relief from the requirements of Rule 61-501 and Regulation Q-27 that, subject to certain conditions, would permit it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of Brookfield Infrastructure Partners L.P.'s market capitalization if Brookfield's indirect equity interest in Brookfield Infrastructure Partners L.P. was included in the calculation of Brookfield Infrastructure Partners L.P.'s market capitalization. As a result, the 25% threshold above which the minority approval and valuation requirements would apply would be increased to include the approximately 40% indirect interest in Brookfield Infrastructure Partners L.P. held by Brookfield. Rule 61-501 and Regulation Q-27 will be replaced by Multilateral Instrument 61-101 on the coming into force of the instrument. Brookfield Infrastructure Partners L.P. will apply for similar relief under Multilateral Instrument 61-101 (and similar legislation or regulations in other jurisdictions where such policies are applicable)."

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

2.1.11 Invesco Inc. - s. 1(10)

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

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).

December 21, 2007

Stikeman Elliott LLP

5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Attention: Amanda Linett

Dear Ms. Linett:

Re: Invesco Inc. (the "Applicant") – application for an order not to be a reporting issuer under the securities legislation of Ontario, Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Québec and Saskatchewan (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 not to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

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

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

2.1.12 FNX Mining Company Inc. - MRRS Decision

Headnote

MRRS – Filer permitted to exclude transactions between filer and acquired business from the calculation of the filer's and the acquired business's income for the purposes of the income test used to determine whether an acquisition is significant – If the Filer were to prepare consolidated *pro forma* financial statements in respect of the acquired business in satisfaction of the BAR requirement, the financial statements would include adjustments that would remove such transactions on the basis that such transactions were not with entities outside the combined entity.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 8.3(2)(c).

December 21, 2007

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

AND

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

AND

IN THE MATTER OF
FNX MINING COMPANY INC.
(the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Makers**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer be permitted to exclude transactions between the Filer and Dynatec Mining Services Business (as defined below) from the calculation of the Filer's and Dynatec Mining Services Business's income from continuing operations for the purposes of the income test used to determine whether an acquisition of a business is a significant acquisition requiring the filing of a business acquisition report (a **BAR**) under the Legislation (the **Requested Relief**).

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Ontario).
2. The Filer's head office is located at 55 University Avenue, Suite 700, Toronto, Ontario.
3. The Filer became a reporting issuer in the Province of Ontario following the filing of a prospectus dated November 26, 1984. The Filer is also a reporting issuer in each of the other Provinces of Canada. To the best of its knowledge, the Filer is currently not in default of any applicable requirements under the Legislation.
4. The Filer's common shares are listed and posted for trading on the Toronto Stock Exchange.
5. The Filer is a growing explorer, developer and producer of nickel, copper, platinum, palladium, gold and cobalt, with operations based primarily in Canada's Sudbury Basin mining camp.
6. The Filer has one material subsidiary, Aurora Platinum Corp. (**Aurora Platinum**). Aurora Platinum was continued under the *Business Corporations Act* (Ontario) and is wholly-owned by the Filer.
7. On November 29, 2001 the Filer entered into an agreement (the **Option to Purchase Agreement**) with Inco Limited (now CVRD Inco Limited) to acquire a 100% interest in the mineral rights to five mineral properties located in the Sudbury Basin (collectively, the **Properties**), and the right to use such part of the surface rights and on-site facilities as are required to permit exploration, development and mining operations on the Properties.
8. Concurrently, the Filer entered into an agreement (the **Dynatec Joint Venture Agreement**) with Dynatec Corporation (**Dynatec**), pursuant to which Dynatec acquired 25% of the Filer's interest, rights and obligation in the Option to Purchase Agreement, and through which Dynatec and the

- Filer formed a joint venture known as the "Sudbury Joint Venture" (the **SJV**).
9. All requirements to exercise the option to acquire the mineral rights to the Properties in the Option to Purchase Agreement were met and the option was exercised by the Filer and Dynatec on December 1, 2003, resulting in the acquisition by the Filer and Dynatec of a 100% interest in the mineral rights to the Properties, as well as certain related rights.
 10. On July 1, 2005, the Filer acquired all of the issued and outstanding common shares of Aurora Platinum, which was a publicly-traded company, following which, the Filer transferred all of the common shares of Aurora Platinum to its wholly-owned subsidiary, Aurora Holdings Limited, which was incorporated to hold such common shares, and sold 50% of the common shares of Aurora Holdings Limited and, accordingly, a 50% indirect interest in Aurora Platinum, to Dynatec, in exchange for common shares of Dynatec and cash.
 11. On October 21, 2005, the Filer purchased Dynatec's 50% indirect interest in Aurora Platinum by acquiring all of the common shares of Aurora Holdings Limited held by Dynatec and acquired Dynatec's 25% interest in the Properties and its interest in the SJV (the **Dynatec Take-out Transaction**).
 12. As part of the Dynatec Take-Out Transaction:
 - (a) the Filer and Dynatec entered into certain agreements, including a mining services agreement (the **Mining Services Agreement**) pursuant to which Dynatec provides contract mining services at the Properties until December 31, 2007, subject to the Filer having approval, control and direction over the services provided by Dynatec. Under the Mining Services Agreement, Dynatec is being paid a fee of 7% on a cost reimbursement basis (the **Mining Services Income**);
 - (b) Dynatec is to be paid \$7,500,000 on each of December 31, 2006 and 2007 (the **Lump-Sum Payments**); and
 - (c) the Filer issued to Dynatec 20,500,000 common shares (the **FNX Shares**).
 13. As part of the Dynatec Take-Out Transaction, the Filer was, among other things, entitled in certain circumstances to designate a purchaser for the FNX Shares held by Dynatec if Dynatec decided to sell such shares (the **Share Rights**). If FNX did not exercise such right, Dynatec was entitled to sell the FNX Shares through a broad public distribution in Canada.
 14. On April 20, 2007, Sherritt International Corporation (**Sherritt**) and Dynatec announced that an agreement (the **Merger Agreement**) had been reached whereby all of the shares of Dynatec would be acquired by Sherritt under a plan of arrangement (the **Arrangement**) under the *Canada Business Corporations Act*.
 15. Under the Arrangement, Sherritt would acquire the mining services division (the Division) of Dynatec, which provides, among other things, the services under the Mining Services Agreement and, indirectly, all the shares (the **DMC Shares**) of Dynatec Mining Corporation (**DMC**), which provides mining services in the United States (DMC, together with the Division, the **Dynatec Mining Services Business**).
 16. As it was uncertain whether the Arrangement would trigger the Filer's Share Rights under the Dynatec Take-Out Transaction, negotiations were undertaken prior to entering into the Merger Agreement, which negotiations led to Sherritt, Dynatec and the Filer reaching an agreement pursuant to which, in consideration of the Filer agreeing to facilitate the transfer of the FNX Shares by Sherritt to the shareholders of Dynatec under the Arrangement, Dynatec would grant to the Filer a right to purchase the Dynatec Mining Services Division (the **FNX Call Right**) after the effective time of the Arrangement.
 17. On June 14, 2007, the Arrangement became effective, and Sherritt acquired Dynatec.
 18. On September 28, 2007, the Filer announced that it had exercised the FNX Call Right to purchase the Dynatec Mining Services Business from Sherritt (the **Dynatec Acquisition**) and had entered into an agreement relating thereto.
 19. When the Filer applies the asset test and investment test in section 8.3(2)(a) and section 8.3(2)(b) of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**), the Dynatec Acquisition is not significant.
 20. However, when the Filer applies the income test in section 8.3(2)(c) NI 51-102 (the **Income Test**), the Dynatec Acquisition is a "significant acquisition" of the Filer requiring the Filer to file a BAR within 75 days of the completion of the Dynatec Acquisition pursuant to Part 8 of NI 51-102 (the **BAR Requirement**).
 21. Under the Mining Services Agreement, Dynatec earned revenue which contributed \$3,663,000 to income from continuing operations (before tax) of the Dynatec Mining Services Business for the last completed financial year, being the profit that the

Dynatec Mining Services Business earned under the Mining Services Agreement for mining services rendered. In turn, the Filer incurred expenses related to the Dynatec Mining Services Business under the Mining Services Agreement, which expenses reduced income from continuing operations (before tax) of the Filer for the last completed financial year by \$3,663,000.

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

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

22. As a result of the Lump-Sum Payments, Dynatec recorded revenue which contributed \$7,500,000 to the income from continuing operations (before tax) of the Dynatec Mining Services Business for the last completed financial year (as there were no related expenses). The Filer capitalized the discounted value of the Lump-Sum Payments in October 2005 and, therefore, the Filer is also expensing the interest accretion component of the these payments, totalling \$514,000, and is not expensing the principal component of these periodic cash payments.
23. The transactions pursuant to the Mining Services Agreement and the Lump-Sum Payments should be excluded from the calculation of the Income Test.
24. Under Canadian GAAP, consolidated financial statements present the financial position and results of operations of a parent and one or more subsidiaries as if they were combined as a single economic entity. The consolidated financial statements should report only transactions with entities outside of the combined entity. If the Filer were to prepare consolidated *pro forma* financial statements in respect of the Dynatec Acquisition in satisfaction of the *pro forma* financial statement requirements of the BAR Requirement, these financial statements would include adjustments that would remove the transactions pursuant to the Mining Services Agreement and the Lump-Sum Payments, on the basis that these transactions were not with entities outside of the combined entity. Therefore, the Filer should also be able to exclude these transactions when calculating the Filer's and the Dynatec Mining Services Business's income from continuing operations for purposes of the Income Test.
25. When the Filer excludes Dynatec's revenue and the Filer's expenses from the Mining Services Agreement and the Lump-Sum Payments from the calculation of the Income Test, the Dynatec Acquisition is not significant

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.

2.1.13 Thomas Weisel Partners Group, Inc. - MRRS Decision

Headnote

Mutual Reliance System for Exemptive Relief Applications – relief from registration and prospectus requirements in connection with the first trade of shares distributed to residents of Canada in connection with an acquisition – issuer not a reporting issuer in any jurisdiction of Canada – the conditions of the exemption in section 2.14 of National Instrument 45-102 Resale of Securities not fully met as residents of Canada own more than 10% of the total number of securities – relief granted subject to conditions.

Applicable Legislative Provisions

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

National Instrument 45-102 Resale of Securities.

December 20, 2007

IN THE MATTER OF THE SECURITIES LEGISLATION OF ONTARIO, ALBERTA AND QUEBEC (THE “JURISDICTIONS”)

AND

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

AND

IN THE MATTER OF THOMAS WEISEL PARTNERS GROUP, INC. (THE “APPLICANT”)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator in each of the Jurisdictions (the “**Decision Maker**”) has received an application from the Applicant for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) that the prospectus requirements contained in the Legislation do not apply to the first trade of the Canadian Securities (as defined below) held by the Canadian Owners (as defined below) (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

1. The Applicant was incorporated under the laws of the State of Delaware and was founded in 1998.
2. The principal executive offices of the Applicant are located in San Francisco, California.
3. The Applicant is not a reporting issuer or its equivalent in any jurisdiction of Canada. The Applicant is currently exploring the possibility of becoming a reporting issuer in Canada by listing its common stock on the Toronto Stock Exchange.
4. On February 7, 2006, The Applicant succeeded to the business of Thomas Weisel Partners Group, LLC and completed an initial public offering of its common stock in the United States.
5. The authorized share capital of the Applicant currently consists of 100 million shares of common stock (the “**Common Shares**”), of which 25,553,672 shares are outstanding.
6. The Applicant is a registrant with the Securities and Exchange Commission (the “**SEC**”) and is subject to the reporting and other requirements of the United States *Securities Exchange Act of 1934* (the “**1934 Act**”) and the rules and regulations of The NASDAQ Stock Market (“**NASDAQ**”) where its Common Shares are listed and posted for trading under the symbol “TWPG”.
7. Westwind was created by amalgamation on January 1, 2003 and is registered under the *Business Corporations Act* (Ontario) (the “**OBCA**”).
8. Westwind conducts its operations through three wholly-owned subsidiaries and has its head office in Toronto, Ontario.
9. Westwind is not a reporting issuer under the securities legislation of any jurisdiction of Canada, and its shares are not listed and posted for trading on any stock exchange. Westwind is not an “offering corporation” under the OBCA.
10. There are currently 50 holders of common shares of Westwind, including the Shareholders' Representative (as defined below), who also holds all of the Class A common shares of Westwind. Each of these shareholders has a specific connection with Westwind: four of the shareholders are the founders of Westwind and the others are employees of a wholly-owned subsidiary of Westwind or members of the

- advisory board of Westwind (except one shareholder that is a holding company owned by four of the other shareholders and owns approximately 20.5% of the outstanding common shares of Westwind).
11. All of the shareholders of Westwind are resident in Ontario, Alberta and Quebec, except for five shareholders who are not residents of Canada and who collectively hold approximately 6.7% of the outstanding common shares of Westwind.
 12. The Applicant, a subsidiary of the Applicant ("**Canadian Sub**"), Westwind and Lionel F. Conacher, as shareholders' representative (the "**Shareholders' Representative**") have entered into an arrangement agreement dated as of September 30, 2007 (the "**Arrangement Agreement**") providing for the indirect acquisition by the Applicant of all of the outstanding common shares and Class A common shares of Westwind (the "**Transaction**"). Upon completion of the Transaction, Westwind will become an indirect subsidiary of the Applicant.
 13. Subject to certain negotiated exceptions, as consideration pursuant to the Transaction, Westwind shareholders will receive a combination of i) cash and ii) Common Shares or exchangeable shares of Canadian Sub which shares are exchangeable for Common Shares (the "**Exchangeable Shares**"). Holders will generally receive approximately 70% of the consideration in the form of Common Shares or Exchangeable Shares and approximately 30% in the form of cash.
 14. The aggregate consideration that Westwind shareholders will receive in exchange for their Westwind common shares and Class A common shares consists of US\$45,000,000 in cash and 7,009,112 Common Shares (including Common Shares issuable upon the exchange of Exchangeable Shares to be issued under the Transaction).
 15. The holders of Exchangeable Shares will receive, through a special voting share of the Applicant to be issued to a trustee in connection with the Transaction, the benefit of the Applicant voting rights, entitling the holder of each Exchangeable Share to one vote on the same basis and in the same circumstances as one corresponding Common Share. In certain events, Canadian Sub will have a right to redeem the Exchangeable Shares in exchange for an equal number of Common Shares and for cash in the amount of any declared and unpaid dividends on such Exchangeable Shares. The Common Shares and Exchangeable Shares issuable in connection with the Transaction, together with the Common Shares issuable upon the exchange of such Exchangeable Shares, are hereinafter referred to as the "**Canadian Securities**."
 16. Upon closing of the Transaction and payment of the aggregate consideration by the Applicant, after giving effect to the issue of the Canadian Securities and assuming the exchange of Exchangeable Shares then outstanding, 43 residents of Canada (the "**Canadian Owners**") would receive approximately 6,541,800 Common Shares in connection with the Transaction (representing approximately 22.5% of the Common Shares issued and outstanding as of the date hereof on a fully-diluted basis and less than 2.5% of the total number of holders of Common Shares as of the date hereof).
 17. Approximately 22% of the Canadian Securities to be issued in connection with the Transaction will be owned by the Shareholders' Representative, who will assume the functions of President of the Applicant upon closing of the Transaction. It is currently anticipated that the Shareholders' Representative will relocate to the United States following a transition period, which will last between six and 24 months following the closing. In addition, four of the shareholders (including the Shareholders' Representative) will collectively, either directly or indirectly, hold approximately 53% of the Canadian Securities. All four of these shareholders are currently Canadian residents.
 18. In connection with the Transaction, the Applicant has entered into a shareholders' equity agreement with all of the shareholders of Westwind. The securities subject to the shareholders' equity agreement include all Common Shares and all Exchangeable Shares issuable under the Transaction, including all Canadian Securities.
 19. Pursuant to the shareholders' equity agreement, each Westwind shareholder has agreed, among other things, to maintain beneficial ownership of and not to transfer his or her Canadian Securities (representing all of the Canadian Securities) until February 7, 2011, subject to certain exceptions.
 20. Each of the Westwind shareholders that will receive Canadian Securities has also entered into a pledge agreement with the Applicant that will secure the liquidated damages provisions in the shareholders' equity agreement and the indemnification obligations under the Arrangement Agreement by a pledge of an amount of Common Shares or Exchangeable Shares equal to 50% of the total value of the consideration to be received by that shareholder in exchange for his or her Westwind common shares and Class A common shares. These pledges will terminate on the earliest to occur of: (i) the death of the relevant shareholder; (ii) the expiration of the applicable non-compete and non-solicit period set forth in the shareholders' equity agreement; (iii) payment in

cash or other satisfaction by the shareholder of all liquidated damages; or (iv) February 7, 2011; provided that no shares will be released from the pledge before the first anniversary of the closing of the Transaction.

21. The Transaction was unanimously approved by the board of directors of the Applicant, and the issuance of the Common Shares (including the issuance of Common Shares issuable upon the exchange of Exchangeable Shares) under the Transaction is subject to approval by the stockholders of the Applicant at a meeting currently anticipated to be held in December 2007. The Transaction was also unanimously approved by each of the board of directors and the shareholders of Westwind. In addition, the arrangement has been approved by the Ontario Superior Court of Justice. The closing of the Transaction is subject to customary conditions, including the receipt of certain approvals from regulatory authorities.
22. In the absence of the Requested Relief, the first trade of the Canadian Securities will be deemed a distribution pursuant to National Instrument 45-102 *Resale of Securities* ("NI 45-102") unless, among other things, the Applicant has been a reporting issuer for four months immediately preceding the trade in one of the jurisdictions set forth in Appendix B to NI 45-102, which include, among others, the Jurisdictions.
23. As neither the Applicant nor Canadian Sub is a reporting issuer or its equivalent in Canada, the Canadian Securities would be subject to an indefinite hold period.
24. Section 2.14 of NI 45-102 cannot be used by the Canadian Owners with respect to the first trade of the Canadian Securities because, as at the date of distribution of the Canadian Securities, residents of Canada owned directly or indirectly more than 10% of the issued and outstanding securities of the Applicant.
25. Except for the requirements set out in subsections 2.14(1)(b) and 2.14(2)(c) of NI 45-102, all applicable conditions to the resale of the Canadian Securities contained in section 2.14 of NI 45-102 are satisfied.
26. As required by the rules of the NASDAQ, holders of Canadian Securities who are residents of Canada will receive copies of all materials provided to all other holders of Common Shares.
27. Any resale of the Canadian Securities is expected to be effected through the facilities of the NASDAQ as there is currently no market for the common shares in Canada.

Decision

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

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

- (a) the Applicant:
 - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date; or
 - (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade of Canadian Securities;and
- (b) the first trade of Canadian Securities is executed through the facilities of NASDAQ or on another exchange or market outside of Canada or to a person or company outside of Canada.

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

2.1.14 Webb Asset Management Canada Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption to permit an entity to serve as custodian or sub-custodian – Relief was necessary because the filer's financial statements are not publicly disclosed – National Instrument 81-102.

Rules Cited

National Instrument 81-102 – Mutual Funds, ss. 6.2(3)(a), 19.1.

December 21, 2007

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

AND

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

AND

IN THE MATTER OF
WEBB ASSET MANAGEMENT CANADA INC. (WEBB)
AND NBCN INC. (NBCN)
(the "Filers")

AND

IN THE MATTER OF
WEBB ENHANCED GROWTH FUND AND
WEBB ENHANCED INCOME FUND
(the "Funds")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the "Legislation") for an exemption from subparagraph 3(a) of section 6.2 of National Instrument 81-102 *Mutual Funds* ("NI 81-102") that would enable the Funds and other mutual funds subject to NI 81-102 that may in the future wish to engage NBCN to serve as custodian or sub-custodian (the "Additional Funds") to enter into arrangements with NBCN to act as

custodian or sub-custodian, as applicable pursuant to Part 6 of NI 81-102 (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

Representations

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

1. NBCN is incorporated under the laws of Canada and is an indirect subsidiary of the National Bank of Canada, a bank listed in Schedule 1 of the *Bank Act* (Canada). NBCN is a member of the Investment Dealers Association of Canada and is registered as a broker and an investment dealer (or equivalent) with the securities regulatory authorities in each province and territory of Canada. NBCN's head office is in Toronto, Ontario. The financial results of NBCN are consolidated with those of the National Bank of Canada and as such are not reported separately to the public.
2. NBCN is subject to regulatory oversight and regulatory capital requirements and accordingly files with the applicable regulators audited financial statements on a regular basis. NBCN's most recent audited financial statements for the financial year ended October 31, 2007 indicate shareholders' equity in excess of \$10 million.
3. The Funds are open-ended mutual fund trusts established under the laws of Ontario pursuant to a declaration of trust. Webb is the manager of the Funds (the "Manager"). Webb and the Funds have their head office located in Toronto, Ontario. The Funds filed a preliminary simplified prospectus and annual information form dated November 9, 2007 under SEDAR Project No. 1179614 in each of the provinces and territories of Canada, except Quebec. Upon receipts being issued for the final simplified prospectus and annual information form, the Fund will be a reporting issuer in all the provinces and territories of Canada, except Québec.
4. The Manager wishes to appoint NBCN as a custodian of the Funds to hold portfolio assets of the Funds. NBCN has the systems and resources

required to act as a custodian or sub-custodian for mutual funds. NBCN will be appointed as a custodian or sub-custodian of the Fund pursuant to an agreement that complies with NI 81-102.

5. NBCN does not meet the requirements of subparagraph 3(a) of section 6.2 of NI 81-102, as it does not have audited financial statements that have been made public. Otherwise NBCN meets all other requirements of NI 81-102 in order to act as a custodian or sub-custodian of mutual funds under NI 81-102.
6. NBCN wishes to have the flexibility to agree to act as a custodian or a sub-custodian for any Additional Funds, without having to make separate applications for relief.
7. NBCN will give the Funds a copy of its audited summary statement of consolidated financial position in respect of the financial year ended October 31, 2006 and will continue to give to the Funds and the Additional Funds (including their custodians, as applicable) such audited financial summary upon request to allow those entities to continue to conclude that NBCN is qualified under NI 81-102 to act as a custodian or sub-custodian, as the case may be.

delivered on behalf of the Funds or any Additional Funds, as applicable, includes a statement that:

- (i) NBCN is acting as custodian or sub-custodian of the Funds or any Additional Funds, as applicable, pursuant to the decision of the Canadian Securities Administrators; and
- (ii) the circumstances described in clause (a) above do not exist as at the date of the compliance report.

"Vera Nunes"
Assistant Manager, Investment Funds
Ontario Securities Commission

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

- (a) the relief terminates 10 days following the date that:
 - (i) a Schedule I Bank ceases to own or control NBCN directly or indirectly; or
 - (ii) the shareholders' equity of NBCN declines below \$10 million;
- (b) the custodian or sub-custodian agreement, as applicable, between the Funds or any Additional Funds and NBCN includes a provision requiring NBCN to provide a copy of its audited summary statement of consolidated financial position in respect of its most recently completed financial year to the Funds or any Additional Funds (including their custodians, as applicable) upon request; and
- (c) the compliance report required by subsection 6.7(2) of NI 81-102 to be

2.1.15 Kingwest & Company and Kingwest Avenue Portfolio - MRRS Decision

Headnote

MRRS – exemption granted from mutual fund conflict of interest investment restrictions to permit pooled fund to purchase securities of a pooled fund managed by affiliate.

Applicable Legislative Provisions

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

December 19, 2007

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

AND

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

AND

IN THE MATTER OF KINGWEST & COMPANY (THE FILER) AND KINGWEST AVENUE PORTFOLIO (THE FUND)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer and the Fund for a decision pursuant to the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirements in the Legislation that a mutual fund not knowingly make or hold an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder (the Investment Limits) (the Requested Relief) in respect of the Fund's investment in the Underlying Funds (defined herein).

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

Interpretation

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

Representations

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

1. The Filer is registered as an investment dealer with the OSC and the Alberta Securities Commission, with its registered address at 86 Avenue Road, Toronto, Ontario;
2. As of the date hereof, in total, the Filer manages in excess of \$1.3 billion for mutual funds, pension funds, corporations, institutions, endowments, foundations and high net worth individuals;
3. The Filer is the manager of the Fund and the Kingwest Bond Portfolio, the Kingwest Canadian Equity Portfolio, the Kingwest U.S. Equity Portfolio and may also become the manager of one or more additional funds (individually an Underlying Fund and together the Underlying Funds);
4. The Fund and the Underlying Funds are open-ended unit trusts established under the laws of the Province of Ontario by the Filer by a trust agreement between the Filer and The Royal Trust Company;
5. The Fund and the Underlying Funds issue units (Units) to qualified investors pursuant to exemptions from applicable registration and prospectus requirements. The Fund and the Underlying Funds each have one class of Units, the characteristics of which are described in an offering memorandum. Each investor is given a copy of the offering memorandum when initially subscribing for Units;
6. The Fund and the Underlying Funds are "mutual funds" as defined in the securities legislation of the Jurisdictions;
7. The Fund and the Underlying Funds are not reporting issuers and they do not intend to become reporting issuers, as such term is defined in the securities legislation of the Jurisdictions, and the Units are not and will not be listed on any stock exchange;
8. The Fund's investment objective is to provide growth through both capital appreciation of, and income generated by the assets held by the Fund;
9. The Fund seeks to achieve its investment objectives by investing in an actively managed mix of Canadian and non-Canadian stocks, bonds and short-term securities. The investment objectives are effected through direct investment and, if the Requested Relief is granted, through investing all or part of the assets of the Fund in one or more of the Underlying Funds, which have investment objectives compatible with the fundamental investment objectives of the Fund, thereby

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| <p>indirectly providing the Fund with the asset mix determined to be appropriate by the Filer for purposes of the Fund;</p> <p>10. The Filer will not perform any activity which would require it to be registered under applicable securities laws unless the Filer holds the necessary registrations;</p> <p>11. The investment by the Fund in the Underlying Funds will represent the business judgment of "responsible persons" uninfluenced by considerations other than the best interests of the Fund;</p> <p>12. No charges will be payable in connection with the acquisition or disposition by the Fund of units of the Underlying Funds;</p> <p>13. No management fee or incentive fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the Underlying Fund for the same service;</p> <p>14. Where a matter relating to an Underlying Fund requires a vote of unitholders of the Underlying Funds, the Filer will not cause the securities of the Underlying Fund held by the Fund to be voted at such meeting;</p> <p>15. Investors in the Fund will receive a copy of the offering memorandum of the Underlying Funds prior to subscribing for Units of the Fund;</p> <p>16. Investors in the Fund will be provided with the annual and interim financial statements of the Underlying Funds in which the Fund invests; and</p> <p>17. In the absence of the Requested Relief, the Investment Limits prohibit the Fund from knowingly making or holding an investment in the Underlying Funds.</p> | <p>3. The annual and interim financial statements of the Underlying Funds are provided to investors in the Fund;</p> <p>4. The arrangements between or in respect of the Fund and the Underlying Funds are such as to avoid the duplication of management and performance fees;</p> <p>5. No sales fees or redemption fees are payable by the Fund in relation to its purchases or redemptions of securities of the Underlying Funds; and</p> <p>6. The Manager does not vote the securities of the Underlying Funds held by the Fund at any meeting of holders of such securities.</p> <p>"Robert L. Shirriff"
Commissioner
Ontario Securities Commission</p> <p>"Margot C. Howard"
Commissioner
Ontario Securities Commission</p> |
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Decision

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

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

1. Units of the Fund are sold solely in Canada's private placement markets in accordance with National Instrument 45-106;
2. The offering memorandum for the Underlying Funds is provided to Fund investors prior to subscribing for units of the Fund;

2.1.16 Bank of Nova Scotia and Scotiabank Subordinated Notes Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer does not satisfy conditions of exemption in section 13.4 of National Instrument 51-102 – Continuous Disclosure Obligations – credit supporter's accounting system will not allow it to compile consolidated summary financial information for non-credit supporter subsidiaries that represent more than 3% of consolidated operations – issuer exempt from certain continuous disclosure and certification requirements, subject to conditions.

Applicable Legislative Provisions

National Instrument 51-102 – Continuous Disclosure Obligations, ss. 13.1, 13.4.

Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, ss. 4.4, 4.5.

December 21, 2007

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

AND

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

AND

IN THE MATTER OF
THE BANK OF NOVA SCOTIA

AND

IN THE MATTER OF
SCOTIABANK SUBORDINATED NOTES 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 Bank of Nova Scotia (the **Bank**) and Scotiabank Subordinated Notes Trust (the **Trust**) for a decision, pursuant to the securities legislation of the Jurisdictions (the **Legislation**), that the requirements contained in the Legislation to:

- (a) (i) file interim financial statements and audited annual financial statements and

deliver same to the security holders of the Trust, pursuant to sections 4.1, 4.3 and 4.6 of National Instrument 51-102 – *Continuous Disclosure Obligations* (**NI 51-102**);

- (ii) file interim and annual management's discussion and analysis (MD&A) of the financial conditions and results of operations and deliver same to the security holders of the Trust pursuant to section 5.1 and 5.6 of NI 51-102;
- (iii) file an annual information form pursuant to section 6.1 of NI 51-102; and
- (iv) comply with any other requirements of NI 51-102;

(collectively, the **Continuous Disclosure Obligations**); and

- (b) file interim and annual certificates contained in Parts 2 and 3 of Multilateral Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings* (**MI 52-109**) (the **Certification Obligations**);

shall not apply to the Trust, subject to certain terms and conditions;

Under the Mutual Reliance Review System for Exemptive Relief Applications (**MRRS**): (a) the Ontario Securities Commission is the Principal Regulator for this application; and (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

- "90-day Bankers' Acceptance Rate" means, for any quarterly floating rate interest period, the average bid rate of interest (expressed as an annual percentage rate) rounded down to the nearest one hundred – thousandth of 1% (with 0.000005% being rounded up) for Canadian Dollar bankers' acceptances with maturities of 90 days which appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on the first Business Day of such period, provided that if such rate does not appear on the Reuters Screen CDOR Page on such day, the 90-day Bankers' Acceptance Rate for such period will be the average of the bid rates of interest (expressed and rounded as set forth above) for Canadian Dollar bankers' acceptances with maturities of 90 days for same day settlement as quoted by such of the Schedule I Canadian chartered banks as may quote such a rate as of 10:00 a.m. (Toronto time) on the first Business Day of such period.

- “Automatic Exchange” means the automatic exchange, without the consent of the holders, of each \$1,000 principal amount of Scotiabank TSNs – Series A into an equal principal amount of subordinated debt of the Bank, upon the occurrence of a Loss Absorption Event or a Non-Deductibility Event.
- “Bank Act” means the *Bank Act* (Canada).
- “Bank Officers Certificates” means the interim and annual officers certificates filed by the Bank under MI 52-109.
- “Bank Subordinated Notes” means the subordinated debt of the Bank issuable upon the occurrence of an Automatic Exchange.
- “Business Day” means a day on which Canadian chartered banks are open for business in Toronto, Ontario, other than a Saturday, Sunday or statutory or civic holiday in Toronto, Ontario.
- “Canada Yield Price” means a price equal to the price of the Scotiabank TSNs – Series A, calculated on the Business Day preceding the day on which the redemption is authorized, to provide a yield from the date fixed for redemption to, but excluding, November 1, 2012, equal to the Government of Canada Yield, plus 27 basis points.
- “Government of Canada Yield” means the yield from the date fixed for redemption to, but excluding, November 1, 2012 assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would carry on the remaining term to, but excluding, November 1, 2012. The Government of Canada Yield will be calculated by two independent Canadian investment dealers selected by the Indenture Trustee and approved by the Bank.
- “Indenture Trustee” means BNY Trust Company of Canada.
- “Loss Absorption Event” means the occurrence of any one of the following events: (i) an application for a winding-up order in respect of the Bank pursuant to the Winding-Up Act is filed by the Attorney General of Canada or a winding-up order in respect of the Bank pursuant to the Winding-Up Act is granted by a court; (ii) the Superintendent advises the Bank in writing that the Superintendent has taken control of the Bank or its assets pursuant to the Bank Act; (iii) the Superintendent advises the Bank in writing that the Bank has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; (iv) the Board of Directors of the Bank advises the Superintendent in writing that the Bank has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; or (v) the Superintendent directs the Bank, pursuant to the Bank Act, to increase its capital or provide additional liquidity and the Bank elects to cause the Automatic Exchange as a consequence of the issuance of such direction or the Bank does not comply with such direction to the satisfaction of the Superintendent within the time specified.
- “Prospectus” means the final short form prospectus of the Trust dated October 24, 2007 in respect of the Offering (as defined herein).
- “Maturity Date” means the maturity date of the Scotia TSNs – Series A, being November 1, 2017.
- “Non-Deductibility Event” means a circumstance in which the Bank determines, in its absolute discretion, that, as a result of the enactment or anticipated enactment of federal Canadian income tax legislation, the interest payable on the Scotiabank TSNs – Series A will not be deductible by the Trust for federal Canadian income tax purposes, and the Bank gives written notice of such determination to the Trust.
- “Superintendent” means the Superintendent of Financial Institutions (Canada).
- “SEDAR” means the System for Electronic Document Analysis Retrieval.
- “Winding-Up Act” means the *Winding-up and Restructuring Act* (Canada).

Representations

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

The Trust

1. The Trust is a closed-end trust established under the laws of Ontario by Computershare Trust Company of Canada (the **Trustee**), pursuant to a declaration of trust dated as of September 27, 2007. The Trust’s principal office is located in Toronto, Ontario. The Trust was established solely for the purpose of effecting offerings of debt securities in order to provide the Bank with a cost-effective means of raising capital for regulatory purposes under the Bank Act. The Bank is the Administrative Agent of the Trust pursuant to an Administration Agreement between the Trustee and the Bank (the **Administration Agreement**).
2. The Trust has issued to investors in all provinces and territories of Canada (the **Offering**) subordinated notes maturing on the Maturity Date, representing direct subordinated unsecured debt obligations of the Trust (the **Scotia TSNs – Series A**).

3. The Trust is a reporting issuer or its equivalent in each jurisdiction where such concept exists and is not, to its knowledge, in default of any requirement under the Legislation.
4. The Scotia TSNs – Series A distributed pursuant to the Prospectus are held by the public and all outstanding voting securities of the Trust (the **Voting Trust Units**) are held by the Bank. The Trust may, from time to time, issue further series of debt securities having terms substantially similar to the Scotia TSNs – Series A.
5. The assets of the Trust will consist primarily of a deposit note issued by the Bank, which will generate income for payment of principal, interest, redemption price, if any, and any other amounts in respect of its debt securities, including the Scotia TSNs – Series A. The Scotia TSNs – Series A form part of the regulatory capital of the Bank. The Trust is a special purpose entity that has no independent business activities other than to acquire and hold eligible investments for the purpose described above.

The Bank

6. The Bank is a chartered bank subject to the provisions of the Bank Act. The Bank's head office is located at 1709 Hollis Street, Halifax, Nova Scotia B3J 1W1 and the Bank's corporate headquarters and executive offices are located at Scotia Plaza, 44 King Street West, Toronto, Ontario, M5H 1H1.
7. The Bank is a reporting issuer or the equivalent in each Jurisdiction where such concept exists and is not, to its knowledge, in default of any requirement under the Legislation.
8. The Bank's common shares are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange.

Scotia TSNs – Series A

9. The Scotia TSNs – Series A were issued under a trust indenture (the **Trust Indenture**) dated October 31, 2007 between the Trust, the Bank and the Indenture Trustee.
10. The Scotia TSNs – Series A are repayable at 100% of the principal amount at the Maturity Date, unless redeemed earlier.
11. From the date of issue to but excluding November 1, 2012 (the **Interest Reset Date**), interest will be payable on the Scotia TSNs – Series A at a rate of 5.25% per annum payable semi-annually in arrears in equal instalments. After the Interest Reset Date to, but excluding the Maturity Date, interest will be payable on the Scotia TSNs – Series A at a floating rate equal to the 90-day

Bankers' Acceptance Rate, plus 1.00% per annum, payable quarterly.

12. The Bank has fully and unconditionally guaranteed on a subordinated basis (the **Bank Guarantee**) the payment of principal, interest (including in the event of an Automatic Exchange), accrued and unpaid interest on the date of exchange), the redemption price, if any, and any other amount on the Scotia TSNs – Series A, when they become due and payable, whether at stated maturity, call for redemption, Automatic Exchange or otherwise according to the terms of the Bank Guarantee and the Trust Indenture. Following the Automatic Exchange, the Bank's obligation under the Bank Guarantee in respect of accrued and unpaid interest, if any, on the Scotia TSNs – Series A will survive until the Trust or the Bank, as the case may be, pays such interest.
13. The Trust, at its option, and with the prior approval of the Superintendent (the **Superintendent Approval**), and on not less than 30 nor more than 60 days' prior written notice, may redeem any outstanding Scotia TSNs – Series A, in whole at any time or in part from time to time, without the consent of the holders, at a redemption price which, if the Scotia TSNs – Series A are redeemed prior to the Interest Reset Date, will be equal to the greater of the Canada Yield Price and the principal amount, or, if the Scotia TSNs – Series A are redeemed on or after the Interest Reset Date, will be equal to the principal amount, together in each case with accrued and unpaid interest to but excluding the date fixed for redemption (the **Redemption Price**).
14. The Scotia TSNs – Series A may be purchased at any time, in whole or in part, by the Trust. The purchases may be made in the open market or by tender or private contract at any price. Such purchase will require the Superintendent Approval.
15. Pursuant to the Automatic Exchange, each \$1,000 principal amount of Scotia TSNs – Series A will be exchanged automatically, without the consent of the holders, into an equal principal amount of Bank Subordinated Notes, upon the occurrence of a Loss Absorption Event or a Non-Deductibility Event.
16. The material attributes of the Bank Subordinated Notes are the same as those of the Scotia TSNs – Series A, except that the Bank Subordinated Notes will constitute subordinated indebtedness for purposes of the Bank Act.
17. The Bank has agreed, pursuant to the Trust Indenture, that it will maintain ownership of 100% of the outstanding Voting Trust Units.

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| <p>18. As long as any Scotia TSNs – Series A are outstanding, the Trust may only be terminated with the approval of the holder of Voting Trust Units and with the approval of the Superintendent. As long as any Scotia TSNs – Series A are outstanding and held by any person other than the Bank, the Bank will not approve the termination of the Trust, unless the Trust has sufficient funds to pay the Redemption Price.</p> <p>19. Pursuant to the Administration Agreement, the Trustee has delegated to the Bank certain of its obligations in relation to the administration of the Trust. The Bank, as administrative agent, will offer advice and counsel with respect to the administration of the day-to-day operations of the Trust and other matters as may be requested by the Trustee from time to time.</p> <p>20. The Trust may, from time to time, issue further series of debt securities, the proceeds of which would be used to acquire, amongst other eligible investments, additional notes from the Bank.</p> <p>21. Because of the nature of the Trust, the terms of the Scotia TSNs – Series A, the Bank Guarantee and the various covenants of the Bank given in connection with the Offering, information about the affairs and financial performance of the Bank, as opposed to that of the Trust, is meaningful to holders of Scotia TSNs – Series A. The Bank's filings will provide holders of Scotia TSNs – Series A and the general investing public with all information required in order to make an informed decision relating to an investment in Scotia TSNs – Series A. Information regarding the Bank is relevant both to an investor's expectation of being paid the principal, interest and the redemption price, if any, and any other amount on the Scotia TSNs – Series A when due and payable.</p> <p>22. The Trust meets the eligibility requirements set out in section 13.4(2) of NI 51-102 except that the Bank does not meet the test set out in section 13.4(2)(g)(i)(B) of NI 51-102 and the Bank is unable to prepare the table required by section 13.4(2)(g)(ii) of NI 51-102.</p> | <p>(ii) the Bank files with the Decision Makers, in electronic format under the Trust's SEDAR profile, all documents that the Bank is required to file under the Legislation, other than in connection with a distribution, at the same time as they are filed by the Bank with a Decision Maker;</p> <p>(iii) the Trust pays all filing fees that would otherwise be payable by the Trust in connection with the filing of the documents referred to in clause (a) above of this decision;</p> <p>(iv) the Trust sends or causes the Bank to send to holders of the Trust's debt securities all disclosure materials that are sent to holders of similar debt securities of the Bank, in the manner and at the time required by the Legislation;</p> <p>(v) all outstanding securities of the Trust are either Scotia TSNs – Series A, additional series of debt securities having terms substantially similar to the Scotia TSNs – Series A or Voting Trust Units;</p> <p>(vi) the rights and obligations of holders of additional series of debt securities are the same in all material respects as the rights and obligations of the holders of the Scotia TSNs – Series A, with the exceptions of economic terms such as the rate of interest, redemption dates and maturity dates;</p> <p>(vii) the Bank is the beneficial owner of all issued and outstanding voting securities of the Trust, including the Voting Trust Units;</p> <p>(viii) the Trust continues to have minimal or no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the Scotia TSNs – Series A or additional series of debt securities having terms substantially similar to the Scotia TSNs – Series A; and</p> <p>(ix) the Trust issues a news release and files a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the Trust that are not also material changes in the affairs of the Bank.</p> | <p>Legislation and has filed all documents it is required to file;</p> |
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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, with the exception of the securities regulator in the Northwest Territories, under the Legislation is that the Trust be exempted from the Continuous Disclosure Obligations provided that:

- (i) the Bank remains a reporting issuer or the equivalent, in each Jurisdiction where such concept exists, under the

The decision of the Decision Makers under the Legislation is that the Trust be exempted from the Certification Obligations provided that:

- (i) the Trust is and continues to be exempted from the Continuous Disclosure Obligations; and
- (ii) the Bank files with the Decision Makers, in electronic format under the Trust's SEDAR profile, the Bank Officers Certificates at the same time as such documents are required under the Legislation to be filed by the Bank.

This decision shall expire 30 days after the date a material adverse change occurs in the representations made by the Trust in this decision.

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

2.1.17 Prometic Life Sciences Inc. and Nanuq Investments Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application by a TSX- listed issuer and foreign resident purchaser for exemptive relief in relation to a proposed distribution of securities by the issuer by way of an “equity line of credit” – a draw down under an equity line of credit may be considered to be an indirect distribution of securities by the issuer to purchasers in the secondary market through the equity line purchaser acting as underwriter – relief granted to the issuer and purchaser from certain registration and prospectus requirements, subject to terms and conditions, including a 10% restriction on the number of securities that may be distributed under an equity line in any 12-month period, certain restrictions on the permitted activities of the purchaser and certain notification and disclosure requirements.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1) (definition of “distribution” and “underwriter”), 25(1)(a), 59(1), 71(1), 74(1), 147.

Applicable Ontario Rules

National Instrument 41-101 Prospectus Disclosure Requirements.
National Instrument 44-101 Short Form Prospectus Distributions.
National Instrument 44-102 Shelf Distributions.

(TRANSLATION)

December 3, 2007

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

AND

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

AND

IN THE MATTER OF
PROMETIC LIFE SCIENCES INC. (the “ISSUER”)

AND

IN THE MATTER OF
NANUQ INVESTMENTS LTD.
(the “PURCHASER” and, together with the Issuer,
the “FILERS”)

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 Issuer (the “**Issuer Application**”) for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) that:

- (a) this decision and the Issuer Application and Purchaser Application (as defined below) made in respect thereto (collectively, the “**Confidential Materials**”) be held in confidence by the Decision Makers until the occurrence of the earliest of the following:
 - (i) the date on which a supplement (“**Prospectus Supplement**”) to the base shelf prospectus is filed by the Issuer describing the terms of the equity purchase agreement (the “**Agreement**”) entered into between the Issuer and the Purchaser;
 - (ii) the date the Issuer advises the Decision Makers that there is no longer any need to hold the Confidential Materials in confidence; and
 - (iii) 90 days after the date of this decision;
- (b) a decision pursuant to section 8.1 of National Instrument 44-101 (“**NI 44-101**”) and section 11.1 of National Instrument 44-102 (“**NI 44-102**”) that the requirements to include the following information in a prospectus (collectively, the “**Prospectus Form Requirements**”) do not apply to the Issuer in connection with the distribution or distributions (the “**Distribution**”) by the Issuer of its subordinate voting shares (the “**Shares**”) through the Purchaser, as underwriter, to purchasers (“**TSX Purchasers**”) who purchase Shares directly from the Purchaser on the Toronto Stock Exchange (“**TSX**”) during the period (the “**Distribution Period**”) that commences on the date of commencement of the pricing period under a draw down notice delivered under the Agreement and ends on the date that is the earlier of
 - A. the date on which the Purchaser notifies the Issuer that the distribution of the Shares purchased from the Issuer on the date of settlement (the “**Settlement Date**”) has ended; and
 - B. the 40th day after the Settlement Date:
 - (i) the statement respecting statutory rights of withdrawal and rescission or damages in the form prescribed in item 20 of Form 44-101F1 of NI 44-101 (“**Form 44-101F1**”), provided the following is substituted therefor:

Securities legislation in the Jurisdictions provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission (and, in the province of Québec, price revision) or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation.

However, TSX Purchasers of Shares will not have any right to withdraw from an agreement to purchase the Shares and will not have remedies of rescission, price revision or damages for non-delivery of the Prospectus because the Prospectus relating to Shares purchased by a TSX Purchaser will not be delivered as permitted under an MRRS decision document dated ●, 2007.

Securities legislation in the Jurisdictions also provide purchasers with remedies for rescission (and, in the province of Québec, price revision) or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contain a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation in the Jurisdictions that a TSX Purchaser of Shares may have against the Issuer or the Purchaser for rescission, price revision or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contain a misrepresentation remain unaffected by the non-delivery of the Prospectus and the MRRS decision referred to above.

TSX Purchasers should refer to the applicable provisions of the securities legislation and the MRRS decision referred to above for the particulars of their rights or consult with a legal adviser; and

- (ii) in respect of NI 44-102:
 - (A) the second sentence of the disclosure required by section 5.5.2;
 - (B) the statement in section 5.5.3;
- 2. The Decision Maker in each of the Jurisdictions has received an application from the Purchaser (the “**Purchaser Application**”) for a decision under the Legislation that:
 - (a) the requirement in the Legislation that prohibits a person or company from trading in a security or acting as an underwriter unless the person or company is registered as a dealer, or is registered as a salesperson or as a partner or as an officer of a registered dealer and is acting on behalf of the dealer (the “**Registration Requirement**”) does not apply to the Purchaser, Innerkip Capital Management Inc. (“**Innerkip**”) or the directors, officers or employees of the Purchaser or Innerkip in connection with the Distribution; and
 - (b) the requirement in the Legislation that a dealer not acting as agent of the purchaser who receives an order to subscribe for or purchase a security offered in a distribution deliver to the purchaser or its agent the prospectus and any amendment thereto or not later than the second working day after the subscription or purchase (the “**Prospectus Delivery Requirement**”) does not apply to the Purchaser or to dealers through whom the Purchaser distributes the Shares and consequently no rights of withdrawal or rights of rescission, price revision or damages for non-delivery of the Prospectus arise;
- 3. Under the Mutual Reliance Review System for Exemptive Relief Applications:
 - (a) the Autorité des marchés financiers is the principal regulator for this application; and
 - (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

- 4. 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 Filers

- 5. The Purchaser is a corporation incorporated under the laws of the Cayman Islands.
- 6. The Purchaser has been established to purchase and sell, as principal, securities of public companies, including, without limitation, the purchase of equity securities pursuant to equity draw down facilities, as described below.
- 7. The Purchaser is not a reporting issuer in any jurisdiction of Canada or a registrant under the U.S. securities legislation
- 8. Innerkip, a corporation incorporated under the laws of Ontario, is registered with the Ontario Securities Commission as an investment counsel portfolio manager and limited market dealer and is the investment adviser and investment manager to the Purchaser. Innerkip makes decisions to purchase and sell securities on behalf of the Purchaser pursuant to authority granted by the Purchaser to Innerkip to fully manage certain accounts of the Purchaser.
- 9. Innerkip is not a TSX participating organization.

Proposed Distribution of Shares

- 10. The Purchaser is proposing to enter into the Agreement with the Issuer, under which the Purchaser would agree to purchase up to C\$15 million of Shares over a defined period not to exceed two years in a series of draw downs.
- 11. The Agreement will provide that during the term of the Agreement neither the Purchaser nor any of its affiliates will sell Shares other than those (i) that the Purchaser reasonably expects to have the obligation to purchase under the terms of the Agreement, or (ii) held in any accounts directly or indirectly managed by the Purchaser.
- 12. Under the Agreement, the Purchaser will agree to purchase up to C\$15 million of Shares on terms that enable the Issuer to determine the timing and dollar amount of Shares the purchaser will purchase. Specifically, the Issuer has the right, but not the obligation, to sell the Shares to the Purchaser, in a series of draw downs over two years.

13. The Issuer will determine how many Shares to sell within specific minimum and maximum dollar amounts for each draw down, subject to the aggregate maximum dollar amount under the Agreement. The number of Shares the Purchaser must purchase is determined by the dollar amount specified by the Issuer in its draw down notice.
14. When the Issuer gives the Purchaser notice that the Issuer intends to make a draw down under the Agreement, the Purchaser is obligated to purchase the dollar amount of Shares from the Issuer at a predetermined percentage discount from the daily volume weighted average price of the Shares over a period of trading days commencing no more than five trading days after the date of the draw down notice. The purchase obligation with respect to a trading day does not arise if the volume weighted average price on that trading day is less than the greater of the Floor Price (as defined below) and the floor price, if any, specified in the draw down notice.
15. The Agreement will provide that, at the time of each draw down notice and each sale of Shares, the Issuer will make a representation to the Purchaser that the Prospectus contains full, true and plain disclosure of all material facts relating to the Issuer and securities being distributed. The Issuer would therefore be unable to proceed with sales of Shares when it is in possession of undisclosed information that would constitute a material fact or a material change in respect of the securities.
16. If after the Issuer delivers a draw down notice to the Purchaser, the sale of the Shares specified in the notice, taking into consideration prior sales, would constitute a material fact or material change, the Issuer would have to suspend sales under the Agreement until either: (i) it had issued a press release and filed a material change report or amended the Prospectus; or (ii) circumstances had changed so that the sales would no longer constitute a material fact or material change.
17. In determining whether the sale of the number of securities specified in the draw down notice would constitute a material fact or material change, the Issuer will take into account a number of factors, including, without limitation: (i) the parameters of the draw down notice including the number of Shares proposed to be sold; (ii) the percentage of the outstanding subordinate voting shares that number represents; (iii) the difference between the recent market price of the subordinate voting shares and the floor price specified in the draw down notice; (iv) recent developments in the business, affairs and capital structure of the Issuer; and (v) prevailing market conditions generally.
18. After receipt of a draw down notice, the Purchaser may seek to sell the Shares purchased under the draw down, or engage in hedging strategies, in order to reduce the economic risk associated with the purchase of securities of the Issuer.
19. The Purchaser may, but is not obligated to, distribute the Shares on a non-fixed price basis to TSX Purchasers during the Distribution Period.
20. The Purchaser may be considered to be acting as an "underwriter" and a draw down under the Agreement may be considered to be an indirect distribution of Shares by the Issuer to TSX Purchasers with the Purchaser acting as the underwriter of the Distribution.
21. A person or company acting as an underwriter is subject to the Registration Requirement.
22. A dealer not acting as agent of the purchaser who sells securities offered in a distribution to which the prospectus requirement applies is subject to the Prospectus Delivery Requirement.
23. The Purchaser is seeking an exemption from the Prospectus Delivery Requirement on behalf of itself and dealers through whom it sells the Shares because TSX Purchasers will not be readily identifiable as the dealer acting on behalf of the Purchaser may combine the sell orders made under the prospectus with other sell orders and the dealer acting on behalf of a TSX Purchaser may combine a number of purchase orders.
24. The Purchaser will effect all sales of Shares during the Distribution Period, other than those made to a lender of Shares, through the TSX.

The Issuer

25. The Issuer is a corporation existing under the laws of Canada and a reporting issuer under the Legislation.
26. The Issuer and its subsidiaries are engaged in the development, manufacture and commercialization of products for the biopharmaceutical industry. The Issuer's registered and head office is located in Mount-Royal, Quebec.
27. The Issuer is authorized to issue an unlimited number of Shares of which 258,684,412 Shares were issued and outstanding as at September 30, 3007.

28. The Shares of the Issuer are listed and posted for trading on the TSX.
29. As at September 30, 2007, the aggregate market value of the outstanding Shares was \$97,006,654.50.
30. The Issuer is eligible to file a short form prospectus under NI 44-101.
31. The Issuer has filed a base shelf prospectus (the "**Base Shelf Prospectus**") dated November 3, 2006 under the Legislation and (a) within two business days after entering into the Agreement will file the Prospectus Supplement relating to the distribution of the Shares to the Purchaser and the Distribution of the Shares to TSX Purchasers through the facilities of the TSX at the market price at the time of sale; and (b) within two business days after the end of the pricing period with respect to each draw down, will file a prospectus supplement (the "**Pricing Supplement**") disclosing the number of Shares sold pursuant to the draw down to the Purchaser and the price per Share.
32. The Issuer will issue a news release upon entering into the Agreement and will file the Agreement on SEDAR. The news release will disclose that the Base Shelf Prospectus and Prospectus Supplement have been filed on SEDAR and specify where and how Purchasers may obtain a copy. A copy of the news release will also be posted on the website of the Issuer.
33. The Base Shelf Prospectus, as supplemented by the Prospectus Supplement, as amended, (collectively, the "**Prospectus**") will qualify the Distribution of the Shares to TSX Purchasers during the Distribution Period.
34. The Base Shelf Prospectus, as supplemented by the Prospectus Supplement, as amended, and the Pricing Supplement will qualify the distribution of the Shares to the Purchaser as described in the Pricing Supplement.
35. The Prospectus Supplement will contain an underwriter's certificate in the form set out in section 2.2 (b) of Appendix B to NI 44-102 signed by the Purchaser.
36. The Issuer will disclose the number and price of Shares sold to the Purchaser under the Agreement in its annual financial statements and MD&A filed on SEDAR.

Decisions

37. 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 decisions has been met.
38. The decision of the Decision Makers under the Legislation is that:
 - (A) the Prospectus Form Requirements do not apply to the Issuer in connection with the Distribution so long as:
 1. the number of subordinate voting shares distributed by the Issuer under one or more equity lines of credit, including the Agreement, during any 12-month period in the term of the Agreement does not exceed 10 per cent of the aggregate number of subordinate voting shares outstanding at the beginning of such 12-month period.
 2. the Issuer issues a news release immediately
 - (a) upon entering into the Agreement, disclosing certain terms of the Agreement including the
 - (i) aggregate maximum issue price of the Shares that may be distributed under the Agreement, and
 - (ii) floor price ("**Floor Price**") per Share, being the lowest price not taking into account the draw down discounted percentage, at which the Issuer may sell Shares to the Purchaser under the Agreement, which price may be adjusted by the Issuer and the Purchaser pursuant to the terms of the Agreement;
 - (b) upon amending the Floor Price if the amendment constitutes a material fact or material change as defined under the Legislation, disclosing the amended Floor Price; and
 - (c) upon delivery of a draw down notice to the Purchaser if the maximum dollar value of Shares the Purchaser may be obligated to purchase exceeds 2 percent of the aggregate market value of the subordinate voting shares issued and outstanding at the date of delivery of the notice.

3. the Issuer files the Prospectus Supplement that (a) qualifies (i) the distribution of the Shares to the Purchaser, and (ii) the distribution of the Shares to the TSX Purchasers during the Distribution Period; and (b) includes the disclosure required by subsection 9.1 (3) of NI 44-102.
 4. the Issuer files a Pricing Supplement within two business days after the end of the pricing period with respect to each draw down disclosing the number of Shares sold pursuant to that draw down to the Purchaser and the price per Share.
 5. the Issuer delivers to the Decision Makers and the TSX, upon request, a copy of each draw down notice delivered by the Issuer to the Purchaser under the Agreement.
 6. the Issuer includes the statement set out in paragraph 1(b) B. (i) in the Prospectus Supplement.
- (B) the Registration Requirement does not apply to the Purchaser, Innerkip or the directors, officers or employees of the Purchaser or Innerkip in connection with the Distribution so long as:
1. the Purchaser does not solicit offers to purchase the Shares in any of the Jurisdictions and effects all Distributions of Shares during the Distribution Period through the TSX using a dealer unaffiliated with the Purchaser or the Issuer;
 2. no extraordinary commission or consideration is paid by the Purchaser to a person or company in respect of the Distribution of the Shares; and
 3. the Purchaser makes available to the Decision Makers, upon request, full particulars of trading and hedging activities by the Purchaser (and, if relevant, trading and hedging activities by affiliates of the Purchaser) in relation to securities of the Issuer during the term of the Agreement.
- (C) the Prospectus Delivery Requirement does not apply to the Purchaser or to dealers through whom the Purchaser distributes the Shares, and consequently no rights of withdrawal or rights of rescission, price revision or damages for non-delivery of the Prospectus arise under the Legislation, so long as the immediately preceding conditions 1 through 3 are met.
- (D) the Confidential Materials will be held in confidence by the Decision Makers until the occurrence of the earliest of the following:
1. the date on which the Prospectus Supplement is filed by the Issuer;
 2. the date the Issuer advises the Decision Makers that there is no longer any need to hold the Confidential Materials in confidence; and
 3. 90 days after the date of this decision.
- (E) this decision will terminate on the date that is 25 months after the date on which the Prospectus Supplement is filed in the Jurisdictions.

"Josée Deslauriers"
Director, Capital Markets

"Mario Albert"
Superintendent Distribution

"Anne-Marie Beaudoin"
Corporate Secretary

2.1.18 Berkshire Investment Group Inc. and Berkshire Securities Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to participating dealer from the requirement to obtain the prior written consent of its clients for those clients to purchase related mutual funds, subject to conditions – Relief to permit the payment of commission rebates for the purchase of related mutual funds, subject to conditions.

Applicable Legislative Provisions

National Instrument 81-105 Mutual Funds Sales Practices, ss. 7.1(1)(b), 8.2(4), 9.1.

December 27, 2007

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

AND

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

AND

**IN THE MATTER OF
BERKSHIRE INVESTMENT GROUP INC. (BIG) AND
BERKSHIRE SECURITIES INC. (BSI)
(collectively, the Filers)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption under section 9.1 of National Instrument 81-105 *Mutual Fund Sales Practices* (NI 81-105) exempting the Filers and their sales representatives from:

- (a) the prohibition against payment of certain rebates of redemption commissions or fees contained in subsection 7.1(1)(b) of NI 81-105 to the extent necessary to permit rebates of redemption commissions or fees to be paid by such sales representatives of the Filers to clients who purchase units of current or future mutual funds managed by an affiliate of the Filers following an early redemption of mutual fund securities of an

unaffiliated mutual fund family (Commission Rebate Relief); and

- (b) the requirement that the Filers obtain written consent from clients prior to the completion of a trade in related mutual funds as required by subsection 8.2(4) of NI 81-105 (the Equity Interest Disclosure 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 NI 81-105 and in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

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

1. BIG is registered with the Decision Makers (other than the Decision Maker in Nunavut) as a dealer in the category of mutual fund dealer (or equivalent). BIG is also registered as a limited market dealer in Ontario and Newfoundland and Labrador. BIG is a member of the Mutual Fund Dealers Association of Canada.
2. BSI is registered with the Decision Makers as a dealer in the category of investment dealer (or the equivalent). BSI is a member of the Investment Dealers Association of Canada.

Corporate Structure and Relationships

3. As a result of the corporate acquisition and the relationships described below, the Filers are "members of the organization" (within the meaning of NI 81-105) of the mutual funds managed by Elliott & Page Limited (E & P), known as the "Manulife Mutual Funds". The Filers may become in the future, "members of the organization" of other mutual funds, since the parent company or an affiliate of the Filers may establish or acquire interests in corporations that are managers of mutual funds (Future Affiliated Funds).
4. Effective August 31, 2007, The Manufacturers Life Insurance Company (Manulife), a public company listed on The Toronto Stock Exchange, acquired all of the securities of Berkshire-TWC Financial Group Inc. (BFGI). As a result of the acquisition, BIG and BSI became indirect wholly-owned subsidiaries of Manulife. E & P is also a

wholly owned subsidiary of Manulife. Manulife is wholly owned by Manulife Financial Corporation, also a reporting issuer.

5. The Filers act as participating dealers (within the meaning of NI 81-105) in respect of the Manulife Mutual Funds as well as for mutual funds managed by unrelated fund managers.
6. The Filers act independently from E & P and have no connection with E & P, other than through their common ultimate parent company. The Filers are free to choose which mutual funds to recommend to their clients and consider recommending the Manulife Mutual Funds to their clients in the same way as they consider recommending other third party mutual funds. The Filers comply with their obligations at law and only recommend mutual funds that they believe would be suitable for their clients and in accordance with the clients' investment objectives. E & P provides the Filers with the compensation described in the prospectus of the Manulife Mutual Funds in the same manner as E & P does for any participating dealer selling securities of the Manulife Mutual Funds to their clients.

The Commission Rebate Prohibition

7. The prohibition in paragraph 7.1(1)(b) of NI 81-105 means that neither the Filers nor their sales representatives can reimburse their client for any fees or commissions incurred by those clients when they decide to switch into a Manulife Mutual Fund from another mutual fund. Section 7.1 allows the Filers and their sales representatives to pay commission rebates when the client decides to switch from one third party fund to another third party fund, provided the disclosure and consent procedure established in section 7.1 is followed. Payment of commission rebates by the Filers and by their sales representatives benefit the client so that the client does not incur costs in switching from one fund to another.
8. Neither the Filers, nor any sales representative of the Filers, are or will be subject to quotas (whether express or implied) in respect of selling the Manulife Mutual Funds. Non of the Filers or E & P or any other member of the respective organizations, provide any incentive (whether express or implied) to any sales representative of the Filers or to the Filers to encourage those sales representatives or the Filers to recommend to clients the Manulife Mutual Funds over third-party managed mutual funds.

The Equity Interest Disclosure Requirement

9. As of August 31, 2007, Manulife owns, directly or indirectly, all of BIG, BSI and E & P. Prior to August 31, 2007, BIG and BSI were not under the ownership and control of Manulife and as such,

section 8.2 of NI 81-105 did not apply to the Filers or their sales representatives in respect of Manulife.

10. The Manulife Mutual Funds will comply with the disclosure obligations that apply to them as required by subsection 8.2(1) and (2) of NI 81-105. In this way, all clients of a Filer will have access to complete information about the relationships between the relevant parties.
11. As part of the account opening process of the Filers, any person opening an account after August 31, 2007 will be required to provide written consent for trades in Manulife Mutual Funds prior to any trade of such funds being completed, as required by subsection 8.2(4).
12. Prior to August 31, 2007, the Filers have a combined total of approximately 175,000 clients. A significant number of these clients trade in mutual funds.
13. Certain existing clients of the Filers have preauthorized purchase plans which instruct the Filers to buy Manulife Mutual Funds for the clients at a pre-determined amount and frequency. Without the requested relief, the Filers would be forced to suspend these plans until such time as they receive the necessary written consent from these existing clients.
14. The Filers have developed a procedure for obtaining written consent prior to completion of trades in Manulife Mutual Funds on an "as needed" basis for all existing clients who wish to purchase Manulife Mutual Funds. However, the Filers are concerned that the procedure will create a disincentive for many of their clients and sales representatives from trading in Manulife Mutual Funds.
15. The Filers have considered alternatives to the "as needed" approach, such as re-documenting all existing client's accounts. This would involve a mail-out to all clients, tracking whether or not a client has executed a consent form and following up with all clients who failed to return the form prior to any such client trading in Manulife Mutual Funds. The printing and mailing costs for this approach, without consideration given to the staff resources and time, amount to an estimated \$110,000.

Decision

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

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

1. The Commission Rebate Relief is granted provided that
 - (a) The cost of such rebate will be borne by the sales representative, and no direct or indirect reimbursement or other compensation will be payable by a Filer or any other member of the organization of the Manulife Mutual Funds or Future Affiliated Funds to the sales representative.
 - (b) The sales representatives and the Filers will comply with the provisions of clause 7.1(1)(a) of NI 81-105.
 - (c) The Filers will comply with the disclosure and consent provisions of Part 8 of NI 81-105 (modified by the Equity Interest Disclosure Relief).
 - (d) The clients of a Filer will be advised by the sales representative, in advance, that any rebate proposed to be made available by a sales representative in connection with the purchase of units of Manulife Mutual Funds or Affiliated Future Funds:
 - (a) will be available to the client regardless of whether the redemption proceeds are invested in a Manulife Mutual Fund, an Affiliated Future Fund or a third party fund (to the maximum of the commission earned by the sales representative on the purchase); and
 - (b) will not be conditional upon the purchase of units of a Manulife Mutual Fund or an Affiliated Future Fund.
 - (e) A Filer's sales representatives are not, and shall not be in the future, subject to quotas (express or implied) in respect of the distribution of the Manulife Mutual Funds and Future Affiliated Funds and shall continue to be entitled to offer competing third party funds to their clients.
 - (f) Except as permitted by NI 81-105, neither a Filer nor any of its affiliates shall provide any incentive (express or implied) to any sales representative for recommending the Manulife Mutual Funds or Future Affiliated Funds over third party funds.
 - (g) The amount of the rebate that is borne by a sales representative shall be determined by the sales representative and the client.
 - (h) This decision shall cease to be operative with respect to a Decision Maker following the entry into force of a rule of that Decision Maker which replaces or amends section 7.1 of NI 81-105.
2. The Equity Interest Disclosure Relief is granted with respect to trades in the Manulife Mutual Funds provided that:
 - (a) If investors are clients of the Filers prior to August 31, 2007, written consent for trades concerning Manulife Mutual Funds will not be required and disclosure of the relationships between the Filers, the Manulife Mutual Funds, Manulife and other members of the organization of the Manulife Mutual Funds will be mailed to existing clients.
 - (b) The Filers will comply with subsection 8.2(4) in relation to any clients who become clients after August 31, 2007.

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

2.1.19 Ethical Funds Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – change of the manager of a mutual fund family – new manager is a limited partnership and not an affiliate of the current manager – no material impact to the securityholders – exemption granted from the requirement to obtain prior securityholder approval for a change in the manager.

December 19, 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, NORTHWEST
TERRITORIES, NUNAVUT AND YUKON
(the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF
ETHICAL FUNDS INC.
(EFI)**

AND

**IN THE MATTER OF
ETHICAL INCOME FUND
ETHICAL MONTHLY INCOME FUND
ETHICAL BALANCED FUND
ETHICAL CANADIAN DIVIDEND FUND
ETHICAL CANADIAN INDEX FUND
ETHICAL GROWTH FUND
ETHICAL SPECIAL EQUITY FUND
ETHICAL AMERICAN MULTI-STRATEGY FUND
ETHICAL GLOBAL EQUITY FUND
ETHICAL INTERNATIONAL EQUITY FUND
ETHICAL ADVANTAGE 2010 FUND
ETHICAL ADVANTAGE 2015 FUND
ETHICAL ADVANTAGE 2020 FUND
ETHICAL ADVANTAGE 2030 FUND
ETHICAL ADVANTAGE 2040 FUND
CREDENTIAL ENRICH INCOME POOL
CREDENTIAL ENRICH CANADIAN
EQUITY POOL
CREDENTIAL ENRICH US EQUITY POOL
CREDENTIAL ENRICH INTERNATIONAL
EQUITY POOL
CREDENTIAL MONEY MARKET FUND
CREDENTIAL SELECT
CONSERVATIVE PORTFOLIO
CREDENTIAL SELECT BALANCED PORTFOLIO**

**CREDENTIAL SELECT GROWTH PORTFOLIO
CREDENTIAL SELECT HIGH
GROWTH PORTFOLIO
EFI BALANCED GROWTH FUND
EFI CANADIAN STOCK FUND
(collectively, the Ethical Mutual Funds)**

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 EFI, the manager of the Ethical Mutual Funds for a decision under the securities legislation of the Jurisdictions (the Legislation), exempting EFI from the requirement in Section 5.1(b) of National Instrument 81-102 *Mutual Funds* (NI 81-102) such that no approval of the securityholders of the Ethical Mutual Funds is required with respect to a transaction (the Transaction) involving the change of manager of the Ethical Mutual Funds from EFI to a limited partnership (the JVL) 50% owned by the Credit Union Centrals of all provinces of Canada, except Québec and Newfoundland and Labrador (the Credit Union Centrals) and 50% owned by the Fédération des caisses Desjardins du Québec (Desjardins)(the Requested Relief).
- 2 Under the Mutual Reliance Review System (MRRS) for Exemptive Relief Applications:
 - (a) the British Columbia Securities Commission is the principal regulator for this application; and
 - (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

- 3 Defined terms contained in NI 81-102 and National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

- 4 This decision is based on the following facts represented by EFI:
 1. EFI is the trustee, manager and portfolio manager of the Ethical Mutual Funds. EFI's head office is located in Vancouver, British Columbia. EFI is owned by the Credit Union Centrals.
 2. The Ethical Mutual Funds consist of the following groups of funds:
 - (a) the Ethical Funds (including the Ethical Advantage Funds, a

- fund-of fund product), which are offered by simplified prospectus in each of the Jurisdictions, and the EFI Funds, which are offered by simplified prospectus in British Columbia, Alberta, Manitoba and Ontario;
 - (b) the Credential Select Portfolios, which are offered by simplified prospectus in each of the Jurisdictions, except Québec, are asset allocation funds that invest in the Ethical Funds and third party funds; and
 - (c) the Credential EnRich Portfolios, which are offered by simplified prospectus in each of the Jurisdictions, except Québec, are pooled funds that offer strategic asset allocations for specific investor profiles.
3. Northwest Mutual Funds Inc. (NMFI) is the manager of the Northwest Mutual Funds. NMFI's head office is located in Toronto, Ontario. NMFI is a wholly-owned subsidiary of Northwest Asset Management Inc. (NAMI), the portfolio adviser of the Northwest Mutual Funds, which is a wholly-owned subsidiary of Desjardins.
4. The Northwest Mutual Funds currently consist of a family of open-ended mutual fund trusts and corporate open-ended funds, which are offered by simplified prospectus in each Jurisdiction.
5. The Credit Union Centrals and Desjardins want the Ethical Mutual Funds and the Northwest Mutual Funds to gain access to each other's distribution channel. The Credit Union Centrals and Desjardins would also like both families of funds to have the same manager, and to allow the securityholders of such funds to be able to switch between funds in both fund families on a cost free basis.
6. To accomplish this objective in a tax efficient manner, the Credit Union Centrals and Desjardins will establish a limited partnership, the JVLP, which will replace EFI and NMFI as the manager of the Ethical Mutual Funds and the Northwest Mutual Funds, respectively.
7. Following the Transaction, JVLP will be owned 50% by the Credit Union Centrals and 50% by Desjardins.
8. It is not expected that there will be any impact from the Transaction on the securityholders of Ethical Mutual Funds and Northwest Mutual Funds because both fund families will generally be managed in the same manner as they are managed today:
 - (a) the Ethical Mutual Funds and the Northwest Mutual Funds will each continue to be managed and operated as a separate distinct family of mutual funds and there is currently no intention to merge the two families of mutual funds;
 - (b) the senior management of the JVLP and its general partner will generally be comprised of the same individuals who are the senior management of EFI, NAMI and NMFI so the Ethical Mutual Funds and Northwest Mutual Funds will continue to be managed by the same senior personnel as they are currently managed today;
 - (c) the mid-management staff of the JVLP and its general partner will generally be comprised of the same individuals who are the mid-management staff of EFI, NAMI and NMFI, and who currently provide management services to the Ethical Mutual Funds and the Northwest Mutual Funds; and
 - (d) investment advice to the Ethical Mutual Funds and the Northwest Mutual Funds will generally be given by the same individuals as who are providing such investment advice to the Ethical Mutual Funds and the Northwest Mutual Funds today and there is currently no intention to change the sub-advisors who provide advice to all of the Ethical Mutual Funds and to all of the Northwest Mutual Funds, except those mutual funds that use a fund of fund structure but even in the latter instance, there is currently no intention to make any significant changes to such personnel.
9. The JVLP will also become registered as an adviser in Ontario, and will replace

EFI and NAMI as the adviser of the Ethical Mutual Funds and the adviser of the Northwest Mutual Funds, respectively.

10. The Transaction is expected to close on or about December 31, 2007.
11. Notice of the Transaction was mailed to the securityholders of the Ethical Mutual Funds and the securityholders of the Northwest Mutual Funds on or about October 15, 2007, at least 60 days in advance of the closing of the Transaction in accordance with the requirements of Section 5.8 of NI 81-102.

Decision

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

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

2.1.20 Peerless Energy Inc. and Petrobank Energy and Resources Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – National Instrument 51-102 Continuous Disclosure Obligations- exemption from the requirement in item 14.2 of Form 51-102F5 Information Circular to include in an information circular the disclosure as prescribed by the form of prospectus, other than the short form prospectus, that an entity would be eligible to use for a distribution of securities, provided that the information circular includes information required by the short form prospectus rule.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.
Form 51-102F5 Information Circular, item 14.2.

Citation: Peerless Energy Inc. and Petrobank Energy and Resources Ltd., 2007 ABASC 919

December 17, 2007

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

AND

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

AND

IN THE MATTER OF PEERLESS ENERGY INC. (PEERLESS)

AND

PETROBANK ENERGY AND RESOURCES LTD. (PETROBANK)

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 Peerless and Petrobank for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that Peerless be exempt from the requirement under Item 14.2 of Form 51-102F5 *Information Circular* (**Form 51-102F5**) to include in an information circular (the **Information Circular**) for the Arrangement (defined below) the disclosure about Petrobank as prescribed by the form of prospectus, other than a short form

prospectus under National Instrument 44-101 *Short Form Prospectus Distributions* (the **Short Form Prospectus Rule**), that Petrobank would be eligible to use for a distribution of securities (the **Long Form Prospectus Form**) provided that the Information Circular includes information about Petrobank required by the Short Form Prospectus Rule.

Application of Principal Regulator System

2. Under Multilateral Instrument 11-101 *Principal Regulator System* (**MI 11-101**) and the Mutual Reliance Review System for Exemption Relief Applications:

- (a) the Alberta Securities Commission is the principal regulator for Peerless;
- (b) Peerless is relying on the exemption in Part 3 of MI 11-101 in all of the provinces in Canada except Alberta and Ontario; and
- (c) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

4. This decision is based on the following facts represented by Peerless and Petrobank:

- (a) Each of Peerless and Petrobank is incorporated under the laws of the Province of Alberta and has its head office located in Calgary, Alberta.
- (b) The Class A shares (**Class A Shares**) of Peerless are listed and posted for trading on the Toronto Stock Exchange (**TSX**) under the trading symbol "PRY.A" and the Class B shares (**Class B Shares**) of Peerless are listed and posted for trading on the TSX under the trading symbol "PRY.B".
- (c) The common shares of Petrobank are listed and posted for trading on the TSX and the Oslo Børs Exchange under the trading symbol "PBG".
- (d) Peerless is a reporting issuer, where such status exists, in each of the provinces of Canada.

(e) Peerless is not in default of any of its obligations as a reporting issuer pursuant to the applicable securities legislation in any of the provinces in which it is a reporting issuer.

(f) Petrobank is a reporting issuer, where such status exists, in each of the provinces of Canada.

(g) Petrobank is not in default of any of its obligations as a reporting issuer pursuant to the applicable securities legislation in any of the provinces in which it is a reporting issuer.

(h) Petrobank satisfies the basic qualification criteria as set out in section 2.2 of the Short Form Prospectus Rule. In particular, Petrobank filed on or about March 20, 2007 its annual information form for the year ended December 31, 2006, and filed on or about March 13, 2007 its annual financial statements for the year ended December 31, 2006 and related management's discussion and analysis.

(i) Petrobank has a current AIF and current annual financial statements as defined in section 1.1 of the Short Form Prospectus Rule.

(j) Petrobank has filed the notice required by section 2.8 of the Short Form Prospectus Rule and that notice has not been withdrawn.

(k) On November 22, 2007, Peerless and Petrobank entered into an arrangement agreement pursuant to which Petrobank will acquire all of the outstanding Class A Shares and Class B Shares pursuant to a Plan of Arrangement (the **Arrangement**) under the *Business Corporations Act* (Alberta). Pursuant to the Arrangement, holders of Class A Shares will receive, for each Class A Share held, \$0.90 in cash and 0.08 of a Petrobank Share, and holders of Class B Shares will receive \$10.00 in cash for each Class B Share held.

(l) The Information Circular detailing the Arrangement is anticipated to be mailed to Peerless Shareholders on or about December 21, 2007 for the meeting (the **Meeting**) of holders of Class A Shares and Class B Shares expected to take place on or about January 25, 2008. Closing of the Arrangement is expected to take place on or about January 28, 2008.

- (m) Form 51-102F5 requires that the Information Circular contain, among other things, a detailed description of the Arrangement and disclosure (including financial statements) for Petrobank prescribed by the form of prospectus, other than a short form prospectus under the Short Form Prospectus Rule, that Petrobank would be eligible to use for a distribution of securities in the Jurisdictions.
- (n) The form of prospectus other than a short form prospectus under the Short Form Prospectus Rule that Petrobank would be eligible to use for a distribution of securities is the form of prospectus prescribed by Ontario Securities Commission Form 41-501F1 *Information Required in a Prospectus*.
- (o) The Information Circular will include, among other things, a detailed description of the Arrangement and the disclosure (including financial statements) for Petrobank prescribed by Form 44-101F1 *Short Form Prospectus (Form 44-101F1)*.
- (p) The Information Circular will incorporate by reference all documents of the type described in Item 11.1 of Form 44-101F1 filed by Petrobank after the date of the Information Circular and before the date of the Meeting.
- (q) The Information Circular will contain sufficient information for shareholders of Peerless to make a reasoned decision about whether to approve the Arrangement.
- information about Petrobank required by the Short Form Prospectus Rule to be included or incorporated by reference in a short form prospectus.

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

Decision

5. The Decision Makers are satisfied that they each have jurisdiction to make this decision and that the relevant test contained under the Legislation has been met. The Decision of the Decision Makers is that Peerless is exempt from the requirement under Item 14.2 of Form 51-102F5 to include in the Information Circular for the Arrangement the disclosure about Petrobank prescribed by the Long Form Prospectus Form provided that:
- (a) at the time of filing of the Information Circular, Petrobank satisfies the basic qualification criteria as set out in section 2.2 of the Short Form Prospectus Rule; and
- (b) the Information Circular (and the documents incorporated by reference in the Information Circular) includes

2.1.21 Sceptre Investment Counsel Limited et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to allow mutual funds to short sell up to 20% of net assets, subject to certain conditions - Prior short selling exemption granting relief to short sell up to 10% of net assets revoked and replaced - National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.6(a), 2.6(c), 6.1(1).

December 31, 2007

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

AND

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

AND

**IN THE MATTER OF
SCEPTRE INVESTMENT COUNSEL LIMITED
(the Filer)**

AND

**IN THE MATTER OF
THE FUNDS LISTED IN SCHEDULE “A”
(the Existing Funds)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer, on behalf of the Existing Funds and each mutual fund hereafter created and managed by the Filer or any of the affiliates of the Filer (the **Future Funds**, and together with the Existing Funds, the **Funds**), for a decision under the securities legislation of the Jurisdictions (the **Legislation**):

- (a) revoking the Prior Short Selling Exemption (as defined below) and replacing it with this decision; and
- (b) exempting the Funds from the following requirements of the Legislation (the **Requested Relief**), subject to certain terms and conditions:
 - (i) the requirement contained in paragraph 2.6(a) of National Instrument 81-102 *Mutual Funds (NI 81-102)* prohibiting a mutual fund from providing a security interest over a mutual fund's assets;
 - (ii) the requirement contained in paragraph 2.6(c) of NI 81-102 prohibiting a mutual fund from selling securities short;
 - (iii) the requirement contained in subsection 6.1(1) of NI 81-102 prohibiting a mutual fund from depositing any part of a mutual fund's assets with an entity other than the mutual fund's custodian.

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. The Filer is a corporation established under the laws of Ontario and is the trustee and manager of the Existing Funds.
2. Each Fund is or will be an open-end mutual fund trust or a class of shares of a mutual fund corporation established under the laws of the Province of Ontario of which the Filer, or an affiliate of the Filer, is or will be the manager.
3. Each Fund is or will be a reporting issuer in all of the provinces and territories of Canada and distributes or will distribute securities under a simplified prospectus and annual information form and be otherwise subject to NI 81-102.
4. Except for specific exemptions or approvals granted by the relevant Decision Makers, the investment practices of each Fund will comply in

all respects with the requirements of Part 2 of NI 81-102.

5. The Filer proposes that each Fund be authorized to engage in a limited, prudent and disciplined amount of short selling up to a maximum of 20% of the net assets of each Fund on a daily marked-to-market basis. The Filer is of the view that the Funds could benefit from the implementation and execution of a controlled and limited short selling strategy. This strategy would complement the Funds' primary discipline of buying securities with the expectation that they will appreciate in market value.
6. Under a MRRS decision dated August 15, 2007 (the **Prior Short Selling Exemption**), each Fund was granted relief from the requirements in paragraphs 2.6(a) and 2.6(c) and subsection 6.1(1) of NI 81-102 so as to be able to sell securities short up to 10% of its net assets on a daily marked-to-market basis, subject to certain conditions.
7. The Filer wishes to increase the Funds' ability to engage in short selling from 10% to 20% of net assets of each Fund on a daily marked-to-market basis. The Filer therefore requests that the Prior Short Selling Exemption be revoked and replaced with this decision.
8. Short sales will be made consistent with each Fund's investment objectives.
9. In order to effect a short sale, a Fund will borrow securities from either its custodian or a dealer (in either case, the **Borrowing Agent**), which Borrowing Agent may be acting either as principal for its own account or as agent for other lenders of securities.
10. Each Fund will implement the following controls when conducting a short sale:
 - (a) securities will be sold short for cash, with the Fund assuming the obligation to return to the Borrowing Agent the securities borrowed to effect the short sale;
 - (b) the short sale will be effected through market facilities through which the securities sold short are normally bought and sold;
 - (c) the Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;
 - (d) the securities sold short will be liquid securities, and a "liquid" security is a

security that satisfies one of the following conditions:

- (i) the security is listed and posted for trading on a stock exchange; and
 - (A) the issuer of the security has a market capitalization of not less than CDN \$300 million, or the equivalent thereof, at the time the short sale is effected; or
 - (B) the investment advisor has pre-arranged to borrow for the purpose of such short sale; or
- (ii) the security is a bond, debenture or other evidence of indebtedness of or guaranteed by:
 - (A) the Government of Canada or any province or territory of Canada; or
 - (B) the Government of the United States of America;
- (e) at the time securities of a particular issuer are sold short:
 - (i) the aggregate market value of all securities of that issuer sold short by the Fund will not exceed 5% of the net assets of the Fund; and
 - (ii) the Fund will place a "stop-loss" order with a dealer to immediately purchase for the Fund an equal number of the same securities if the trading price of the securities exceeds 120% (or such lesser percentage as the Filer may determine) of the price at which the securities were sold short;
- (f) the Fund will deposit Fund assets with the Borrowing Agent as security in connection with the short sale transaction;
- (g) the Fund will keep proper books and records of all short sales and Fund

- assets deposited with Borrowing Agents as security;
- (h) the Fund will develop written policies and procedures for the conduct of short sales prior to conducting any short sales; and
- (i) the Fund will provide disclosure in its prospectus of the short selling strategies and the details of this exemptive relief prior to implementing the short selling strategy.

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 Prior Short Selling Exemption is revoked and that the Requested Relief is granted provided that in respect of each Fund:

1. the aggregate market value of all securities sold short by the Fund does not exceed 20% of the net assets of the Fund on a daily marked-to-market basis;
2. the Fund holds "cash cover" (as defined in NI 81-102) in an amount, including the Fund assets deposited with Borrowing Agents as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all securities sold short by the Fund on a daily marked-to-market basis;
3. no proceeds from short sales by the Fund are used by the Fund to purchase long positions in securities other than cash cover;
4. the Fund maintains appropriate internal controls regarding its short sales including written policies and procedures, risk management controls and proper books and records;
5. any short sale made by the Fund is subject to compliance with the investment objectives of the Fund;
6. the Requested Relief does not apply to a Fund that is classified as a money market fund or a short-term income fund;
7. for short sale transactions in Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall be a registered dealer in Canada and a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund;
8. for short sale transactions outside of Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall:
 - (a) be a member of a stock exchange and, as a result, be subject to a regulatory audit; and
 - (b) have a net worth in excess of the equivalent of CDN \$50 million determined from its most recent audited financial statements that have been made public;
9. except where the Borrowing Agent is the Fund's custodian, when the Fund deposits Fund assets with a Borrowing Agent as security in connection with a short sale transaction, the amount of Fund assets deposited with the Borrowing Agent does not, when aggregated with the amount of Fund assets already held by the Borrowing Agent as security for outstanding short sale transactions of the Fund, exceed 10% of the total assets of the Fund, taken at market value as at the time of the deposit;
10. the security interest provided by the Fund over any of its assets that is required to enable the Fund to effect short sale transactions is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;
11. prior to conducting any short sales, the Fund discloses in its simplified prospectus a description of: (i) short selling, (ii) how the Fund intends to engage in short selling, (iii) the risks associated with short selling, and (iv) in the Investment Strategy section of the simplified prospectus, the Fund's strategy and this exemptive relief;
12. prior to conducting any short sales, the Fund discloses in its annual information form the following information:
 - (a) that there are written policies and procedures in place that set out the objectives and goals for short selling and the risk management procedures applicable to short selling;
 - (b) who is responsible for setting and reviewing the policies and procedures referred to in the preceding paragraph, how often the policies and procedures are reviewed, and the extent and nature of the involvement of the board of directors of the Filer in the risk management process;
 - (c) the trading limits or other controls on short selling in place and who is

responsible for authorizing the trading and placing limits or other controls on the trading;

(d) whether there are individuals or groups that monitor the risks independent of those who trade; and

(e) whether risk measurement procedures or simulations are used to test the portfolio under stress conditions;

13. prior to conducting any short sales, the Fund has provided to its security holders not less than 60 days' written notice that discloses the Fund's intent to begin short selling transactions and made the disclosure required in the Fund's simplified prospectus and annual information as outlined in paragraphs 11 and 12 above, or the Fund's initial simplified prospectus and annual information form and each renewal thereof has included such disclosure; and

14. the Requested Relief shall terminate upon the coming into force of any legislation or rule of the Decision Makers dealing with matters referred to in paragraphs 2.6(a), 2.6(c) and subsection 6.1(1) of NI 81-102.

"Vera Nunes"

Assistant Manager, Investment Funds Branch
Ontario Securities Commission

SCHEDULE "A"

SCEPTRE INCOME AND GROWTH FUND
SCEPTRE BOND FUND
SCEPTRE HIGH INCOME FUND
SCEPTRE CANADIAN EQUITY FUND
SCEPTRE EQUITY GROWTH FUND
SCEPTRE GLOBAL EQUITY FUND

2.2 Orders

2.2.1 Guest-Tek Interactive Entertainment Ltd. - s. 144

Headnote

Application by an issuer for a revocation of a cease trade order issued by the Commission - cease trade order issued because the issuer had failed to file certain interim financial statements and management's discussion and analysis of financial condition and results of operations as required by Ontario securities law - defaults subsequently remedied and the issuer is otherwise not in default of Ontario securities laws - cease trade order revoked.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.

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

AND

**IN THE MATTER OF
GUEST-TEK INTERACTIVE ENTERTAINMENT LTD.**

**ORDER
(Section 144)**

WHEREAS the securities of Guest-Tek Interactive Entertainment Ltd. (the "Applicant") are subject to an order dated May 7, 2007 made by the Director pursuant to paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act (the "Cease Trade Order") directing that all trading in and acquisitions of the securities of the Applicant, whether direct or indirect, cease until the Cease Trade Order is revoked by the Director;

AND WHEREAS the Applicant has made an application to the Ontario Securities Commission (the "Commission") for an order pursuant to section 144 of the Act revoking the Cease Trade Order;

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

1. The Applicant was incorporated pursuant to the Business Corporations Act (Alberta) and is governed under the laws of the Province of Alberta.
2. The Applicant's registered and head office is located at Suite 240, 3030 – 3rd Avenue N.E., Calgary, Alberta, T2A 6T7.
3. The authorized capital of the Applicant consists of an unlimited number of common shares of which 15,823,493 are currently issued and outstanding.

4. The common shares of the Applicant are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "GTK" but have been suspended from trading on the TSX as a result of the Cease Trade Order and cease trade orders issued by the securities commissions in Alberta, British Columbia and Québec. The common shares of the Applicant are not listed or quoted on any other exchange or market in Canada or elsewhere.
5. The Applicant is a reporting issuer or the equivalent under the securities legislation of the provinces of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. The Applicant is not a reporting issuer or the equivalent in any other jurisdiction in Canada.
6. The Cease Trade Order was issued due to the failure of the Applicant to file interim financial statements and related management's discussion and analysis for the nine month period ended December 31, 2006 (the "Continuous Disclosure Documents").
7. The Applicant failed to file the Continuous Disclosure Documents because the Applicant discovered certain problems relating to a new accounting system which required the Applicant to restate its previously issued audited financial statements as of and for the year ended March 31, 2006 and its unaudited consolidated financial statements for each of the interim periods ended June 30, 2006 and September 30, 2006.
8. The Applicant has filed the Continuous Disclosure Documents with the Commission through SEDAR and is up-to-date on all its other continuous disclosure obligations, has paid all outstanding fees and has complied with National Instrument 51-102 Continuous Disclosure Obligations regarding delivery of financial statements.
9. Except for the Cease Trade Order, the Applicant is not otherwise in default of any requirement of Ontario securities law.
10. The cease trade order imposed on the Applicant by the Alberta Securities Commission on April 19, 2007 for failure to file the Continuous Disclosure Documents was revoked on December 17, 2007. The Applicant also has applied for, or been granted, revocations of the cease trade orders for failure to file the Continuous Disclosure Documents issued by the securities commissions in each of British Columbia and Québec.
11. With the exception of the resignation of Makoto Okazaki as a director, there have been no changes of directors, officers, insiders or

controlling shareholders of the Applicant since the date of the Cease Trade Order.

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

AND UPON the Commission being satisfied that it would not be prejudicial to the public interest to revoke the Cease Trade Order;

IT IS ORDERED under section 144 of the Act that the Cease Trade Order is revoked.

DATED December 18, 2007.

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.2.2 Golden Triangle Taxi Ltd. - s. 74(1)

Headnote

Application under section 74(1) for relief from prospectus and registration requirements - issuer is engaged in taxi-cab business - Relief granted subject to conditions.

Statutes Cited

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

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

AND

IN THE MATTER OF GOLDEN TRIANGLE TAXI LTD.

ORDER (Subsection 74(1))

UPON the application (the "Application") of Golden Triangle Taxi Ltd. (the "Corporation") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 74 (1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act") that certain trades by the Corporation and its shareholders in common shares of the Corporation (the "Common Shares") are not subject to sections 25 and 53 of the Act;

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

AND UPON the Corporation having represented to the Commission that:

1. Golden Triangle Taxi Ltd. is a corporation constituted by Certificate of Incorporation on January 1, 2003 under the laws of the Province of Ontario;
2. the authorized share capital of the Corporation consists of an unlimited Class "A" and Class "B" special shares and unlimited number of common shares of which 8,300 Common Shares have been duly issued;
3. the Corporation is an established taxi-cab company that is authorized to operate within the City of Cambridge;
4. the Corporation operates under the name "Golden Triangle Taxi Ltd." and carries on the business of providing the dispatch, depot and other administrative services to the owners or operators of taxi-cabs (the "Owner/Operators");

5. the Corporation does not own any of the cabs in its fleet, nor does it employ any of the Owner/Operators;

6. individuals that wish to acquire an owner's licence, to operate a taxi-cab within the City of Cambridge, from the Regional Municipality of Waterloo must first enter into an operator's agreement with an established taxi-cab broker company that is authorized to operate in that city and the Corporation requires each Owner/Operator to enter into an operator's agreement made between the Corporation and all other Owner/Operators (the "Operators Agreement");

7. as a condition of entering into the Operators Agreement with a prospective Owner/Operator, the Corporation requires the Owner/Operator to be a shareholder of the Corporation;

8. the Corporation's constating documents currently provide that no shares may be transferred without the express consent of a majority of the shareholders;

9. the Corporation proposes to issue and have outstanding shares such that the number of shareholders of the Corporation will exceed the maximum permitted number of fifty (50) shareholders; and

10. the Corporation has undertaken to the Commission to:

A. provide, on or before the next annual general meeting, or at a Special Meeting of the Shareholders called for the purposes of such dissemination, to all existing Shareholders the following information:

- i) the constating documents of the Corporation; and
- ii) a copy of this ruling together with a statement that certain protections, rights, and remedies provided by the Act including statutory rights of rescission and damages will not be available to the Owner/Operators and that certain limitations will be imposed upon the disposition of Common Shares acquired pursuant to this Ruling;

and

B. use its best efforts to obtain an acknowledgement from each of the existing shareholders that he or she has been provided the foregoing information,

and such acknowledgements shall be retained by the Corporation as part of its books and records;

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

IT IS RULED pursuant to subsection 74 (1) of the Act that trades in Common Shares by the Corporation to Owner/Operators and any subsequent trades in the Common Shares by Owner/Operators (whose shares have been duly issued) are not subject to sections 25 and 53 of the Act provided that:

A. the Corporation's constating documents provide that:

- i) no shares may be transferred without the approval of a majority of the shareholders;
- ii) the total number of outstanding shareholders at any one time, exclusive of persons who are in the employment of the Corporation shall not exceed two hundred, two or more persons holding one or more shares jointly being counted as one shareholder; and
- iii) any invitation to the public to subscribe for its securities is prohibited;

B. each purchaser of the Common Shares shall have purchased the Common Shares pursuant to being licensed by the appropriate licensing authority to own and operate a taxi-cab with the Corporation;

C. all share certificates issued on or after the date of this ruling shall bear a legend disclosing the restrictions on the transfer of Common Shares;

D. the Corporation prepares and makes available to its shareholders financial statements and the proxy-related materials in accordance with the Business Corporations Act, R.S.O. 1990, c. B.16;

E. the Corporation shall deliver to each prospective shareholder or current shareholder before the issue or transfer of any Common Shares a copy of:

- i) the constating documents of the Corporation;
- ii) the Operators Agreement;

- iii) the most recent financial statements of the Corporation; and
- iv) this ruling together with a statement that certain protections, rights, and remedies provided by the Act including statutory rights of rescission and damages will not be available to the Owner/Operators and that certain limitations will be imposed upon the disposition of Common Shares acquired pursuant to this Ruling;

F. the exemptions contained in this ruling shall cease to be effective and any subsequent trade in Common Shares shall be a distribution from the earlier of (i) the date the provisions of the restrictions referred to above in paragraph A are amended, and (ii) the date the Corporation becomes a reporting issuer under the Act.

DATED at Toronto, this 18th day of December, 2007.

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

"David L. Knight"
Commissioner
Ontario Securities Commission

2.2.3 Xiiva Holdings Inc. et al. - s. 127(7)

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

AND

IN THE MATTER OF XIIVA HOLDINGS INC. CARRYING ON BUSINESS AS XIIVA HOLDINGS INC., XI ENERGY COMPANY, XI ENERGY AND XI BIOFUELS

ORDER Section 127(7)

WHEREAS Xiiva Holdings Inc. ("Xiiva") is an Ontario corporation carrying on business as Xiiva Holdings Inc., XI Energy Company, XI Energy and as XI Biofuels;

AND WHEREAS on December 14, 2007, the Ontario Securities Commission (the "Commission") issued a Temporary Order pursuant to section 127(1) and (5) of the Securities Act, R.S.O. 1990, c.S.5, as amended (the "Act") that all trading in securities of Xiiva, incorrectly described at paragraph 1 of the Temporary Order as XI Holdings Inc., shall cease and that the exemptions contained in Ontario securities law do not apply to it (the "Temporary Order");

AND WHEREAS the Commission further ordered that pursuant to subsection 127(6) of the Act, the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on December 14, 2007, the Commission issued a Notice of Hearing to be held on December 19, 2007 at 2:00 p.m., to consider, among other things, the extension of the Temporary Order;

AND WHEREAS on December 19, 2007, Xiiva requested an adjournment of this matter;

AND WHEREAS Xiiva has agreed to the extension of the Temporary Order during the period of the adjournment without prejudice to its ability to argue the merits of the grounds for granting the Temporary Order;

AND WHEREAS Xiiva has consented to an amendment of paragraph 1 of the Temporary Order to replace the reference to "XI Holdings Inc." with "Xiiva Holdings Inc.";

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

AND WHEREAS by Commission order made April 4, 2007 pursuant to section 3.5(3) of the Act, the Commission authorized each of W. David Wilson, James E.A. Turner, Lawrence E. Ritchie, Robert L. Shirriff, Harold P. Hands, Paul K. Bates and David L. Knight, acting alone,

to exercise the powers of the Commission to make temporary orders under s. 127 of the Act;

IT IS ORDERED that paragraph 1 of the Temporary Order is amended to replace the reference to "XI Holdings Inc." with "Xiiva Holdings Inc.";

IT IS FURTHER ORDERED that pursuant to subsection 127(7) of the Act, the Temporary Order is extended to March 25, 2008 such that all trading in securities of Xiiva shall cease and the exemptions contained in Ontario securities law do not apply to Xiiva until March 25, 2008;

IT IS FURTHER ORDERED that the Hearing is adjourned to March 25, 2008.

Dated at Toronto this 19th day of December, 2007.

"James E.A. Turner"

2.2.4 IMAX Corporation et al. - s. 144(1)

Headnote

Application by issuer for variation of management and insider cease trade order previously issued in accordance with OSC Policy 57-603 Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements (the "MCTO Policy") to reflect recent changes to the officers, directors or insiders of the issuer since the date of the previous order.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 6(3), 127, 144.

Policies Cited

OSC Policy 57-603 Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements.
National Policy 12-202 Revocation of a Compliance-Related Cease Trade Order.

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

AND

IN THE MATTER OF CERTAIN DIRECTORS, OFFICERS AND INSIDERS OF IMAX CORPORATION (BEING THE PERSONS AND COMPANIES LISTED IN SCHEDULE "A" HERETO)

ORDER (Subsection 144(1))

WHEREAS on April 16, 2007, a Director (the "**Director**") of the Ontario Securities Commission (the "**Commission**") made an order under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act that all trading in and all acquisitions of securities of IMAX Corporation (the "**Corporation**"), whether direct or indirect, by any of the persons and companies listed in Schedule "A" annexed thereto (the "**Respondents**") shall cease, until two business days following the receipt by the Commission of all filings the Corporation is required to make pursuant to Ontario securities law (the "**IMAX MCTO**");

AND WHEREAS the Director made the IMAX MCTO following an application by the Corporation under OSC Policy 57-603 – *Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements* (the "**MCTO Policy**");

AND WHEREAS the Corporation has now made an application (the "**Application**") to vary the IMAX MCTO to reflect recent changes to the class of persons and companies who are officers, directors or insiders of the

Corporation since the date of the IMAX MCTO and who therefore, in accordance with the MCTO Policy, should be covered by the IMAX MCTO;

AND UPON considering the Application and the recommendation of Staff;

AND UPON the Corporation having represented to the Commission that:

1. The Corporation is a reporting issuer in the Province of Ontario.
2. On March 29, 2007, the Corporation issued and subsequently filed on SEDAR a press release disclosing that it would delay the release of its annual report on Form 10-K for the year ended December 31, 2006 (the **"2006 Form 10-K"**) which includes: (i) audited consolidated financial statements for such period, prepared in accordance with United States generally accepted accounting principles (**"GAAP"**), together with the Canadian GAAP reconciliation and other information required by Part 4 of National Instrument 52-107; and (ii) management's discussion and analysis (**"MD&A"**) for such period prepared in accordance with Item 303 of Regulation S-K under the United States Securities Exchange Act of 1934, as amended (the **"1934 Act"**).
3. On April 16, 2007, the Director issued the IMAX MCTO following an application by the Corporation under the MCTO Policy and in response to the failure by the Corporation to file the 2006 Form 10-K by the prescribed deadline under Ontario securities law, namely April 2, 2007.
4. On July 20, 2007, the Corporation issued and subsequently filed on SEDAR a press release disclosing that the Corporation had completed its restatement of financial results covering 2002 through 2005. The Corporation subsequently filed its 2006 Form 10-K and Form 10-Q for the first quarter of fiscal 2007.
5. On October 5, 2007, the Corporation issued and subsequently filed on SEDAR a press release disclosing that the Corporation's management and the audit committee of the board of directors had determined to restate financial statements relating to the Corporation's accounting for certain terms of real estate leases for its owned and operated theatres and corporate facilities, with most of the income statement impact being from 1997 – 2002. The Corporation's management and the audit committee concluded that the Corporation's prior-filed financial statements on Forms 10-K and 10-Q should not be relied upon until the financial statements are restated, which the Corporation expected to occur within 35 days. The October 5, 2007 press release further disclosed that the Corporation plans to file a Form 10-K/A for fiscal

2006 to amend its Annual Report on Form 10-K for 2006, which was filed on July 20, 2007. The Corporation plans to file a Form 10-Q/A to amend its Form 10-Q filings for the first and second quarters of 2007 for the same reason. In addition, the Company's Forms 10-K/A and 10-Q/A will include certain additional and enhanced narrative disclosure in response to comments received by the Company from the U.S. Securities and Exchange Commission. The October 5, 2007 press release stated that expected restatement impacts are preliminary and subject to change as a result of any adjustment or modification resulting from the process of preparing and filing the Company's Forms 10-K/A and 10-Q/A.

6. The IMAX MCTO has not lapsed in accordance with its terms but remains in force.
7. At the time of the original application for the IMAX MCTO, in April 2007, the Corporation represented that each of the Respondents named in the IMAX MCTO is, or was, at some time since the end of the period covered by the last financial statements filed by the Corporation, namely September 30, 2006, a director, officer or other insider of the Corporation and during that time had, or may have had, in the ordinary course access to or received material information with respect to the Corporation that has not been generally disclosed.
8. Since the date of the IMAX MCTO, there have been certain changes to the class of persons and companies that, in the opinion of the Corporation, come within the definition of "Defaulting Management and Other Insiders" as described in the MCTO Policy. In accordance with its undertaking, the Corporation has advised the Commission of these changes, and now requests that the IMAX MCTO be varied to reflect such changes.
9. The Corporation believes that, since the date of the IMAX MCTO, the following persons and companies have come within the definition of "Defaulting Management and Other Insiders" and accordingly should be named as additional respondents in the IMAX MCTO:

Name	Title
Mr. Joseph Sparacio	Chief Financial Officer

(collectively, the "Additional Respondent").
10. The Additional Respondent is an officer and insider of the Corporation and therefore has had, or may have had, access to material information with respect to the Corporation that has not been generally disclosed.

AND WHEREAS the Director is of the opinion that it is in the public interest to make this Order;

IT IS ORDERED under paragraph 2 of subsection 127(1) of the Act and under section 144 of the Act that the list of Respondents appended to the IMAX MCTO as Schedule "A" is varied to include the Additional Respondent, as that term is defined in this Order.

IT IS FURTHER ORDERED under subsection 127(2) of the Act that IMAX shall post a copy of this order prominently on its website at <http://www.imax.com>.

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

Ontario Securities Commission

"Cameron McInnis"
Manager, Corporate Finance Branch

Schedule "A"

Wechsler, Bradley J.
Gelfond, Richard L.
Braun, Neil S.
Copland, Kenneth G.
Girvan, Garth M.
Leebron, David W.
Utay, Marc A.
Macneil, Edward
Foster, Greg
Lister, Robert D.
Bonnick, Brian
O'Reilly, Larry
Welton, Mark
Keighley, David B.
Ruby, G. Mary
Sullivan, Mary
Vance, Jeffrey
Vivekanand, Vigna
Gamble, Kathryn

2.2.5 European Bank for Reconstruction and Development

Headnote

Multilateral development bank granted exemption from registration and prospectus requirements in Ontario, subject to conditions - Relief similar to exemption for "permitted supranational agency" in section 2.34 of National Instrument 45-106 - Prospectus and Registration Exemptions.

Statutes Cited

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

Rules Cited

National Instrument 45-106 - Prospectus and Registration Exemptions, s. 2.34.

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

AND

IN THE MATTER OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Applicant)

ORDER

Background

The Ontario Securities Commission (the **Commission**) has received an application from the Applicant for an order pursuant to subsection 74(1) of the *Securities Act* (Ontario) (the **Act**) that the requirement in section 25 of the Act to be registered to trade in a security and the requirement in section 53 of the Act to file and obtain a receipt for a preliminary prospectus and a final prospectus in respect of a trade in a security shall not apply in respect of a trade in a debt security (as defined in National Instrument 45-106 *Prospectus and Registration Requirements (NI 45-106)* of, or guaranteed by, the Applicant (the **Requested Relief**).

Interpretation

Defined terms contained in NI 45-106 and NI 14-101 have the same meaning in this order unless they are defined in this order.

Representations

The order is based on the following facts represented by the Applicant:

1. The Applicant is a multilateral development bank whose shareholders include 61 countries and two intergovernmental institutions (being the European Community and the European Investment Bank).
2. The Applicant was established in 1991 pursuant to the Agreement Establishing the European Bank for Reconstruction and Development (the **Agreement**), which was signed in Paris, France on May 29, 1990, with the Agreement entering into force on March 28, 1991. Canada is a founding member of the Applicant.
3. Pursuant to the *Privileges and Immunities of the European Bank for Reconstruction and Development Order*, SOR/93-612, the Bank shall have in Canada the privileges and immunities set out in Chapter VIII of the Agreement.
4. The Applicant's purpose is to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiatives in its "countries of operations" which are committed to applying the principles of multiparty democracy, pluralism and market economics. The Applicant's countries of operations are located in central and eastern Europe and in the territory of the former U.S.S.R. and, since 2005, include Mongolia. In order to carry out that mandate, the Applicant:
 - (a) provides financing for banks, industries and businesses pertaining to new ventures as well as investing in existing companies;
 - (b) promotes the establishment, improvement and expansion of productive, competitive and private sector activity, in particular with respect to small and medium-sized enterprises;
 - (c) works with publicly owned companies to facilitate the transition to privatization;
 - (d) helps to restructure state-owned firms and improve municipal services;
 - (e) promotes policies that will bolster the business environment, as well as democratic principles;
 - (f) mobilizes domestic and foreign capital;
 - (g) provides technical assistance to businesses relating to the preparation, financing and implementation of relevant projects;
 - (h) stimulates and encourages the development of capital markets; and
 - (i) promotes environmentally sound and sustainable development.
5. Based on the Applicant's Financial Report for the 2006 financial year, as at December 31, 2006, the Applicant had total assets of €30,691,000,000, total liabilities of €18,519,000,000, total equity of

€12,172,000,000 and callable capital of €15,000,000,000.

6. The Applicant has been assigned the following issuer ratings for its long-term debt by the following rating agencies:

Standard & Poors: AAA (since 1991)
Moody's Investors Services: Aaa (since 1992)
Fitch Ratings: AAA (since 2002).

7. The Applicant does not have any offices in Canada.

8. Pursuant to regulatory orders issued by the securities regulator or securities regulatory authority in each of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick and Nova Scotia (the Jurisdictions) it has been ordered that the dealer registration requirement and the prospectus requirement in each of the Jurisdictions shall not apply in respect of a trade in a debt security of or guaranteed by the Applicant.

Order

The Commission is satisfied that it would not be prejudicial to the public interest to grant the Requested Relief.

The ruling of the Commission pursuant to subsection 74(1) of the Act is that the Requested Relief is granted, provided that the debt securities are payable in the currency of Canada or the United States of America.

DATED on October 12th, 2007

"Harold P. Hands"

"Suresh Thakrar"

2.2.6 IMAX Corporation et al. - s. 144(1)

Headnote

Application by issuer for revocation of management and insider cease trade order previously issued in accordance with OSC Policy 57-603 Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements (the "MCTO Policy").

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 6(3), 127, 144.

Policies Cited

OSC Policy 57-603 Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements.

National Policy 12-202 Revocation of a Compliance-Related Cease Trade Order.

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

AND

IN THE MATTER OF CERTAIN DIRECTORS, OFFICERS AND INSIDERS OF IMAX CORPORATION (BEING THE PERSONS AND COMPANIES LISTED IN SCHEDULE "A" HERETO)

ORDER (Subsection 144(1))

WHEREAS on April 16, 2007, a Director of the Ontario Securities Commission (the "**Commission**") made an order under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act that all trading in and all acquisitions of securities of IMAX Corporation (the "**Corporation**"), whether direct or indirect, by any of the persons and companies listed in Schedule "A" appended thereto (the "**Respondents**") shall cease, until two business days following the receipt by the Commission of all filings the Corporation is required to make pursuant to Ontario securities law (the "**Original IMAX MCTO**");

AND WHEREAS the Director made the Original IMAX MCTO following an application by the Corporation under OSC Policy 57-603 – *Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements* (the "**MCTO Policy**") and upon hearing evidence that:

- (a) the Corporation is a reporting issuer in the Province of Ontario;
- (b) each of the Respondents is, or was, at some time since the end of the period covered by the last financial statements filed by the Corporation,

namely September 30, 2006, a director, officer or other insider of the Corporation and during that time had, or may have had, in the ordinary course access to or received material information with respect to the Corporation that has not been generally disclosed;

- (c) on March 29, 2007, the Corporation issued and subsequently filed on SEDAR a press release disclosing that it would delay the release of its annual report on Form 10-K for the year ended December 31, 2006 (the "**2006 Form 10-K**") which includes: (i) audited consolidated financial statements for such period, prepared in accordance with United States generally accepted accounting principles ("**GAAP**"), together with the Canadian GAAP reconciliation and other information required by Part 4 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* ("**NI 52-107**"); and (ii) management's discussion and analysis ("**MD&A**") for such period prepared in accordance with Item 303 of Regulation S-K under the United States Securities Exchange Act of 1934, as amended (the "**1934 Act**").
- (d) the Corporation did not file the 2006 Form 10-K by the prescribed deadline under Ontario securities law, namely April 2, 2007; and
- (e) as of the date of the Original IMAX MCTO, the Corporation had not filed the 2006 Form 10-K;

AND WHEREAS on October 24, 2007, a Director of the Commission made an order (the "**Variation Order**") under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act and under section 144 of the Act that the list of Respondents appended to the Original IMAX MCTO be varied to include the Additional Respondent, as such term was defined in the Variation Order (the Original IMAX MCTO, as varied by the Variation Order, being referred to herein as the "**IMAX MCTO**");

AND WHEREAS the Corporation has applied to the Commission for revocation of the IMAX MCTO pursuant to section 144 of the Act;

AND UPON the Corporation having represented to the Commission that:

- 1. The Corporation is incorporated under the *Canada Business Corporations Act* and is a reporting issuer in each of the Provinces of Canada where such concept exists. The Corporation is an "SEC issuer" as defined by NI 52-107.
- 2. As a result of the ongoing evaluation of certain identified accounting errors related to capitalization of expenses, film accounting and income tax matters over a six-year period, and in reviewing certain comments received from the Commission and the U.S. Securities and

Exchange Commission (the "**SEC**"), the Corporation had determined to broaden its review to address certain issues related to these comments, primarily in connection with its revenue recognition for certain theatre system installations in previous periods (including the fourth quarter of 2005), the Corporation intended to file restated financial statements to correct such errors (the "**Restatement**"), and would delay the filing of its 2006 Form 10-K by the required filing dates under Ontario securities law.

- 3. On May 10, 2007, the Corporation announced that as a result of its ongoing evaluation of these accounting issues, and its intention to complete the Restatement, it would delay the filing of its unaudited interim consolidated financial statements for the quarter ended March 31, 2007 prepared in accordance with US GAAP (the "**2007 First Quarter US GAAP Financial Statements**"), and MD&A for such period prepared in accordance with Item 303 of Regulation S-K under the 1934 Act (the "**2007 First Quarter US GAAP MD&A**") and collectively with the 2007 First Quarter US GAAP Financial Statements, the "**2007 First Quarter Disclosure Documents**") by the required filing dates under Ontario securities law.
- 4. The evaluation and the intention to complete the Restatement resulted in the delay in filing by the Corporation of (a) its 2006 Form 10-K, and (b) the 2007 First Quarter Disclosure Documents (collectively, the "**Delayed Filings**") by the required filing dates under Ontario securities law.
- 5. On October 5, 2007, the Corporation announced that it planned to file a Form 10-K/A for fiscal 2006 to further amend the 2006 Form 10-K and a form 10-QA for the first and second quarters of 2007 to amend its form 10-Q filings for such periods (collectively, the "**Revised Restated Filings**"). The Revised Restated Filings were deemed necessary by the Corporation's management and the Audit Committee of the Board of Directors to restate financial statements relating to the Corporation's accounting for certain terms of seven real estate leases for its owned and operated theatres and corporate facilities (the "**Subsequent Restatement**").
- 6. The Corporation has now completed the filing of its Delayed Filings and the Revised Restated Filings and is up-to-date with its current continuous disclosure filing obligations under Ontario securities law.
- 7. The consolidated statements of operations, shareholders' equity (deficit) and cash flows for the years ended December 31, 2005 and 2004, and the consolidated balance sheet as of December 31, 2005, including the applicable notes, contained in the 2006 Form 10-K/A, were

restated. The Corporation also included in the 2006 Form 10-K/A restated unaudited consolidated financial information for each of the first three quarters of 2006 and each of the first three quarters of 2005. The Corporation also included in the 2006 Form 10-K/A restated summary and selected financial information for the years ended December 31, 2003 and 2002 and certain restated summary and selected financial data derived from the audited financial statements and related notes thereto as well as unaudited and restated quarterly financial data.

8. The Corporation believes that requiring it to refile and amend its prior continuous disclosure filings to rectify content deficiencies therein due or related to the Restatement and Subsequent Restatement (the "**Prior Unamended Filings**"), including:

- (a) its annual reports under the 1934 Act on Form 10-K for the years ended December 31, 2002, 2003, 2004 and 2005,
- (b) any of its quarterly reports under the 1934 Act on Form 10-Q for each of the three quarterly periods in 2002, 2003, 2004, 2005 and 2006,
- (c) audited consolidated financial statements for the years ended December 31, 2002, 2003 and 2004 prepared in accordance with Canadian generally accepted accounting principles, and
- (d) unaudited interim consolidated financial statements for each of the three quarterly periods in 2002, 2003 and 2004 prepared in accordance with Canadian generally accepted accounting principles,

would likely negatively affect its ability to report future financial results on a timely basis and would likely detract from the Corporation's ability to address the material weaknesses in its internal control over financial reporting.

9. The Corporation believes that the information that would be contained in the documents remaining to be filed with the relevant regulatory authorities would in large part repeat information contained in the 2006 Form 10-K/A which would include all financial and other information needed for current investor understanding of the Corporation.
10. Given that the Corporation has not refiled or amended its Prior Unamended Filings, the Respondents cannot rely on the IMAX MCTO to expire pursuant to its terms.

AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to revoke the IMAX MCTO;

IT IS ORDERED, pursuant to Subsection 144(1) of the Act, that the IMAX MCTO be and is hereby revoked.

DATED at Toronto, this 22nd day of November, 2007.

"Cameron McInnis"
Manager, Corporate Finance Branch
Ontario Securities Commission

Schedule “A”

Wechsler, Bradley J.
Gelfond, Richard L.
Braun, Neil S.
Copland, Kenneth G.
Girvan, Garth M.
Leebron, David W.
Utay, Marc A.
Macneil, Edward
Foster, Greg
Lister, Robert D.
Bonnick, Brian
O'Reilly, Larry
Welton, Mark
Keighley, David B.
Ruby, G. Mary
Sullivan, Mary
Vance, Jeffrey
Vivekanand, Vigna
Gamble, Kathryn
Sparacio, Joseph

2.2.7 Robert Waxman - ss. 127, 127.1

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

AND

IN THE MATTER OF
ROBERT WAXMAN

ORDER
(Sections 127 and 127.1)

WHEREAS the Ontario Securities Commission (the "Commission") issued a Notice of Hearing dated August 30, 2000, an Amended Notice of Hearing dated December 12, 2005 and an Amended Notice of Hearing dated August 9, 2007, pursuant to section 127 of the Ontario *Securities Act*, as amended, with respect to Robert Waxman;

AND WHEREAS on August 30, 2000, a Statement of Allegations was delivered and subsequently amended on October 12, 2005, December 9, 2005 and July 26, 2007 (the "Amended Statement of Allegations");

AND WHEREAS the Respondent Robert Waxman entered into a settlement agreement dated December 17, 2007 (the "Settlement Agreement"), in which the Respondent agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated August 30, 2000, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and the Amended Statement of Allegations of Staff of the Commission, and upon hearing submissions from counsel for the Respondent and from Staff of the Commission;

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

IT IS ORDERED THAT:

1. the Settlement Agreement dated December 17, 2007, attached to this Order as Schedule "1", is hereby approved;
2. pursuant to clause 8 of subsection 127(1) of the Act, Waxman will be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of twenty years commencing on the date that the Settlement Agreement is approved;
3. pursuant to clause 2 of subsection 127(1) of the Act, Waxman will be prohibited from trading in securities for a period of ten years, commencing on the date that the Settlement Agreement is approved;
4. pursuant to clause 6 of subsection 127(1) of the Act, Waxman will be reprimanded; and
5. pursuant to section 127.1 of the Act, Waxman will pay costs to the Commission in the amount of \$125,000.

DATED at Toronto this 21st day of December, 2007.

"Paul K. Bates"

"David L. Knight"

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

AND

**IN THE MATTER OF
ROBERT WAXMAN**

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Hearing dated August 30, 2000, Amended Notice of Hearing dated December 9, 2005 and Amended Notice of Hearing dated August 9, 2007 (the "Amended Notice of Hearing"), the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing in the matter of Philip Services Corp, Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey, Colin Soule, Robert Waxman and John Woodcroft (the "Respondents") to consider whether, pursuant to subsections 127(1) and 127.1(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make an order that:
 - (a) the Respondents cease trading in securities, permanently or for such time as the Commission may direct;
 - (b) the individual Respondents are prohibited from becoming or acting as a director or officer of any issuer;
 - (c) the individual Respondents resign any positions they may have as a director and/or officer of any issuer;
 - (d) the Respondents be reprimanded;
 - (e) the Respondents, or any of them, pay the costs of Staff's investigation and this proceeding; and/or
 - (f) such further orders as the Commission may deem appropriate.
2. On November 25, 2005, the OSC approved a Settlement Agreement with Colin Soule.
3. On March 3, 2006, the OSC approved a Settlement Agreement with Allen Fracassi, Philip Fracassi, John Woodcroft, Graham Hoey and Marvin Boughton.
4. On April 25, 2007, the OSC withdrew its allegations against Philip Services Corp.

II. JOINT SETTLEMENT RECOMMENDATION

5. Staff of the Commission ("Staff") agree to recommend settlement of the proceedings initiated against Robert Waxman ("Waxman") by the Amended Notice of Hearing in accordance with the terms and conditions set out below. Waxman consents to the making of an order against him in the form attached as Schedule "A" on the basis of the facts set out in Part III below.

III. STATEMENT OF FACTS

6. For the purposes of this Settlement Agreement only and any order of the Commission contemplated hereby, Waxman agrees with the facts and conclusions set out in Part III of this Settlement Agreement.

Background

7. Philip Services Corp. ("Philip" or the "Company"), was, at all material times, a reporting issuer in Ontario, Alberta, British Columbia, Quebec, Saskatchewan, Nova Scotia and Newfoundland. Philip's common shares were listed for trading on the Toronto Stock Exchange, the Montreal Exchange and the New York Stock Exchange under the symbol PHV. At all material times, Philip was a corporation amalgamated under the laws of the Province of Ontario, with its head office in the City of Hamilton, in the Province of Ontario. Prior to May, 1997, Philip operated its business under the name of Philip Environmental Inc.
8. Philip was an integrated resource recovery and industrial services company providing, amongst other things, metal recovery and processing services to major industry sectors throughout North America. It was portrayed as one of North America's leading suppliers of metals recovery and industrial services. For the year ended December 31, 1997,

Philip reported revenues of U.S. \$1.75 billion, of which U.S. \$1.1 billion was attributed to the Company's Metals and Recovery Group (the "Metals Group"). All currency is in USD unless otherwise indicated.

9. In 1997, Philip's business was organized into two operating divisions – the Metals Group and the Industrial Services Group ("ISG"). The Metals Group was Philip's largest operating division, accounting for more than 60% of the Company's revenue in 1996 and 1997.
10. Waxman was a Director of Philip and was the President of the Metals Group. In late September 1997, he was asked to relinquish his day-to-day duties and signing authority, and voluntarily agreed to do so, although this fact was not publicly disclosed.
11. Philip announced that Waxman had resigned as a Director of Philip and as President of the Metals Group in a press release dated January 5, 1998.
12. Allen Fracassi ("A. Fracassi") and Philip Fracassi ("P. Fracassi") are brothers and were the founders of a company purchased by Philip. A. Fracassi was the President, CEO and a Director of Philip. P. Fracassi was the Executive Vice-President, Chief Operating Officer and a Director of Philip.
13. Howard Beck ("Beck") was the Chairman of Philip's Board of Directors and a member of Philip's Audit Committee.
14. Marvin Boughton ("Boughton") was the Executive Vice-President and Chief Financial Officer ("CFO") of Philip. Boughton was a chartered accountant.
15. Peter Chodos ("Chodos") was the Executive Vice-President, Corporate development of Philip.
16. Felix Pardo ("Pardo") was a Director of Philip.
17. Colin Soule ("Soule") was the General Counsel, Executive Vice-President and Corporate Secretary of Philip.
18. Herman Turkstra ("Turkstra") was a Director of Philip and one of Philip's outside legal counsel.
19. John Woodcroft ("Woodcroft") was the Executive Vice-President, Operations of Philip.

The November 1997 Offering

20. On November 6, 1997, Philip made a public offering of 20 million common shares (the "November Offering"), 15 million of which were sold in the United States and 5 million of which were sold in Canada and internationally. The November Offering raised approximately \$364 million and closed on or about November 12, 1997. The price per each offered common share was \$16.50.
21. In connection with the November Offering, on October 24, 1997, Philip filed an amended preliminary prospectus with the Commission. Philip subsequently filed a final Prospectus (the "Prospectus") with the Commission and obtained a final receipt on November 6, 1997. As required pursuant to section 58 of the Act, the Prospectus contained an Issuer's Certificate signed by A. Fracassi, the CEO, Boughton, the CFO, and two directors, Waxman and Herman Turkstra, on behalf of Philip's Board of Directors. A registration statement (the "Registration Statement") was filed with the United States Securities and Exchange Commission (the "SEC") on or about November 6, 1997.

The Restructuring and Special Charges

A. Overview

22. On January 26 and 27, 1998, 11 weeks after the Prospectus was filed with the Commission, Philip issued two press releases announcing that the Company would be taking a restructuring charge. In the January 26, 1998 press release, Philip disclosed that it would be taking a restructuring charge and a charge relating to material financial transactions (the "Special Charges"). On January 27, 1998, Philip issued another news release further explaining these charges.
23. The failure to disclose the restructuring charge and the inappropriate accounting treatment of the many material financial transactions, as subsequently corrected in 1998 as part of the Special Charges, caused the financial statements contained in the Prospectus to be incorrect.
24. On Friday, January 23, 1998, the closing price for Philip's shares on the TSE was \$18.90. On January 27, 1998, following the announcements of January 26 and 27, Philip's common shares on the TSE closed at \$12.00.

B. The Restructuring Charge

25. In the 10-K filed with the SEC on April 1, 1998, Philip explained the restructuring charge.

As at December 31, 1997, the Company recorded a pre-tax charge of \$155.7 million (\$117.1 million after tax) reflecting the effects of (i) restructuring decision made in its Industrial Services Group following the mergers of All Waste and Serv-Tech, (ii) integration decisions in various of its acquired Metals Services Group businesses, the most significant of which were acquired in late October 1997 and (iii) impairments of fixed assets and related goodwill resulting both from decisions to exit various business locations and dispose of the related assets, as well as assessments of the recoverability of fixed assets and related goodwill of business units in continuing use.

All businesses assessed for asset impairment were acquired in purchase business combinations and, accordingly, the goodwill that arose in those transactions was included in the tests for recoverability. Assets to be disposed of were valued at the estimated net realizable value while the value of the assets of the business units to be continued were assessed at fair value principally using discounted cash flow methods.

26. In the late summer of 1997, Philip commenced a process to identify and calculate potential items to be included in a restructuring charge. This process involved Philip finance employees, in consultation with the various divisions, including the Metals Group of which Waxman was the President, creating spreadsheets that identified items, including dollar amounts, that should form part of the restructuring charge. The restructuring charge calculated during the course of this process was similar to the amounts ultimately announced on January 26 and 27, 1998.
27. The final restructuring charge announced by Philip with respect to the two operating divisions, ISG and the Metals Group (of which Waxman was the President), amounted to \$101.298 million and \$54.422 million respectively for a total of \$155.720 million.
28. Waxman, as Director of Philip and President of the Metals Group, acted contrary to the public interest by failing to ensure that Philip filed financial statements in the Prospectus that contained full, true and plain disclosure of a restructuring charge in the amount of \$155.720 million.

C. The Special Charges in Respect of Material Financial Transactions

29. In the financial statements for the year ended December 31, 1997, as audited by Deloitte, Philip explained the Special Charges in respect of certain material financial transactions, which related primarily to its copper business. In addition to the restructuring charge, the major components of the Special Charges regarding the Inventory and Related Accounts (the "material financial transactions"), as disclosed by Philip in the Form 10-K and the Form 10-K/A, are as follows:

	(\$US'000)
Non-recurring charges recorded as operating expenses (including CIBC \$10 million and CCG \$30 million)	\$ 78,260
Costing errors recorded as operating expenses	32,875
Previously incurred but unrecorded trading losses resulting from speculative trading of copper cathode, recorded as special charges (including Holding Certificates \$31 million, Pechiney \$29 million and other "Cathode Trading Losses")	92,235
Overstatement of revenue and accounts receivable, recorded as adjustments to revenue, of which \$22.114 million is separately identified.	<u>31,622</u>
TOTAL	<u>\$ 234,992</u>

30. The Special Charges caused Philip to restate its comparative financials for the fiscal years ending December 31, 1996 and December 31, 1995, as they were inaccurate. The inaccurate financial statements for the fiscal years ending December 31, 1996 and December 31, 1995 were contained in the Prospectus.
31. The accounting irregularities amounted to approximately \$110 million of the total \$234.992 million of Special Charges relating to material financial transactions. None of the items identified below were properly disclosed in the financial

statements that were contained in the Prospectus. The items relating to the Waxman and the Metals Group are as follows:

- a) Holding Certificates
- b) Reversal of Invoices from Pechiney World Trade (USA), Inc. ("Pechiney")
- c) Commodity Capital Group Metals Inc. ("CCG")

a) Holding Certificates

32. At various times, Philip financed its operations with the use of holding certificates signifying that the inventory being held by Philip was the property of the customer. The Special Charges included an amount in respect of certain holding certificates issued in 1996 representing a total invoice value of approximately \$31 million which were issued to the following customers: \$8.8 million to Conversion Resources Inc. ("Conversion"); \$7.2 million to Pechiney; \$3.5 million to Pechiney; \$1.2 million to MIT; \$3.4 million to Parametal; \$1.9 million to Kataman Metals Inc. ("Kataman") and \$4.7 million to Southwire.
33. The use of holding certificates involved the "sale and purchase" of metal inventory without a corresponding physical movement of the inventory and would immediately generate cash for Philip. These transactions were recorded by Philip as sales and the liability to repurchase the inventory was never recorded. However, given the liability to repurchase the inventory, these transactions should have been recorded as financing arrangements.
34. The majority of the holding certificates were signed by Waxman and Rik Barrese, Metals Manager, who reported to Waxman. Other documents were signed by employees who reported to Waxman, Boughton and A. Fracassi.
35. Waxman, as Director of Philip and President of the Metals Group, acted contrary to the public interest by failing to ensure that Philip filed financial statements in the Prospectus that contained full, true and plain disclosure of approximately \$31 million for holding certificates.

b) Reversal of Invoices – Pechiney

36. In early 1997, McQuillan made an adjustment to the 1996 results in the amount of approximately \$29 million in order to increase profits. McQuillan achieved this by reversing seven invoices for the purchase of copper cathode from Pechiney. Consequently, the cost of sales and liabilities for 1996 were both understated in the amount of approximately \$29 million. The Pechiney transactions, as purchases of copper cathode, were transactions of the Metals group and fell under the control and supervision of Waxman.
37. Ultimately, in or around April of 1997, Philip re-recorded the previous reversal of the Pechiney invoices and paid the \$29 million due to Pechiney. Consequently, the cost of sales for 1997 were overstated in the amount of approximately \$29 million, which offset the 1996 understatement of the same amount. This also was to correct the 1996 understatement of liabilities.
38. Although the under and overstatements of cost of sales for 1996 and 1997 were offsetting, the purchases and repayments involving Pechiney were not properly recorded in the Company's financial statements for the year ended December 31, 1996 and for the quarters ended March 31, 1997, June 30, 1997 and September 30, 1997, and therefore these financial statements were misleading and not accurate.
39. Waxman, as Director of Philip and President of the Metals Group, acted contrary to the public interest by failing to ensure that Philip filed financial statements in the Prospectus that contained full, true and plain disclosure of approximately \$29 million of unrecorded liabilities for invoices issued by its supplier, Pechiney, in 1996.

c) Commodity Capital Group Metals Inc. ("CCG")

40. Due to its continuing cash flow shortages, Philip began negotiating a financing transaction with CCG, a corporation based in New York. In August and September of 1997, CCG provided approximately \$31 million in financing to Philip. In addition to the amount advanced from CCG, Philip also paid to CCG interest payments totalling approximately \$1.6 million. These transactions were negotiated by Waxman.
41. Pursuant to these agreements, Philip agree to sell "commodity lots" (scrap metal) to CCG at the market value of the commodity. At a later date, Philip was obliged to repurchase the commodity lots at the same price at which Philip sold them, plus interest. Philip negotiated two such transactions, one commencing in August 1997 and one in September 1997.

42. For both transactions, Philip's underlying liability to repurchase the inventory was not recorded. For the year ended December 31, 1997, the failure to record the underlying liability for the first transaction caused an overstatement of revenue of \$25.225 million and a corresponding understatement of liabilities, and for the second transaction resulted in the inappropriate capitalization of Philip's payment for the inventory.
43. The financial statements that were contained in the Prospectus were misleading and not accurate due to the inappropriate accounting treatment of the CCG transaction.
44. After Philip filed its Form 10-K in March of 1998, an adjustment of approximately \$30 million was taken by Philip regarding the CCG transaction which was described as an unrecorded liability. The adjustment triggered the recall of Philip's Form 10-K and Deloitte's opinion on the financial statements contained in the Form 10-K.
45. Waxman, as Director of Philip and President of the Metals Group, acted contrary to the public interest by failing to ensure that Philip filed financial statements in the Prospectus that contained full, true and plain disclosure of a financing arrangement between Philip and CCG in the approximate amount of \$30.222 million.

IV. TERMS OF SETTLEMENT

46. Waxman agrees to the following terms of settlement:
 1. The Commission will make an Order:
 - a) approving the Settlement Agreement;
 - b) pursuant to clause 8 of subsection 127(1) of the Act, Waxman will be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of twenty years commencing on the date that this Settlement Agreement is approved;
 - c) pursuant to clause 2 of subsection 127(1) of the Act, Waxman will be prohibited from trading in securities for a period of ten years, commencing on the date that this Settlement Agreement is approved;
 - d) pursuant to clause 6 of subsection 127(1) of the Act, Waxman will be reprimanded; and
 - e) pursuant to section 127.1 of the Act, Waxman will pay costs to the Commission in the amount of \$125,000.

V. STAFF COMMITMENT

47. If this settlement is approved by the Commission, Staff will not initiate any proceeding under Ontario securities law in respect of any conduct or alleged conduct of Waxman in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 51 below.

VI. PROCEDURE FOR APPROVAL OF SETTLEMENT

48. Approval of this Settlement Agreement shall be sought at the public hearing of the Commission in accordance with the procedures described in this Settlement Agreement.
49. Staff and Waxman agree that this Settlement Agreement will constitute the entirety of the evidence to be submitted at the Settlement Hearing.
50. If this Settlement Agreement is approved by the Commission, Waxman agrees to waive his rights to a full hearing, judicial review, or appeal of the matter under the Act.
51. Staff and Waxman agree that if this Settlement Agreement is approved by the Commission, neither Staff nor Waxman will make any public statement inconsistent with this Settlement Agreement.
52. If this Settlement Agreement is approved by the Commission, and at any subsequent time Waxman fails to honour the terms of the settlement set out in Part V herein, Staff reserve the right to bring proceedings under Ontario securities law against Waxman based on, but not limited to, the facts set out in Part III of the Settlement Agreement, as well as the breach of the Settlement Agreement.

53. Whether or not this Settlement Agreement is approved by the Commission, Waxman agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

VII. DISCLOSURE OF AGREEMENT

54. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or an order in the form attached as Schedule "A" is not made by the Commission, each of Staff and Waxman will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations, unaffected by this Settlement Agreement or the settlement negotiations.
55. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission, and forever if, for any reason whatsoever, this Settlement Agreement is not approved by the Commission, except with the written consent of both Waxman and Staff or as may be required by law.
56. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission.

VIII. EXECUTION OF SETTLEMENT AGREEMENT

57. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.
58. A facsimile copy of any signature shall be as effective as an original signature.

Dated this 17th day of December, 2007.

"illegible signature"
Witness

"Robert Waxman"
Robert Waxman

**STAFF OF THE ONTARIO
SECURITIES COMMISSION**

Per:

"Michael Watson"
Michael Watson
Director of Enforcement

2.2.8 Saguenay Capital, LLC - s. 147

Headnote

Application for an order, pursuant to section 147 of the Act, for an exemption from the provisions in subsection 21.10(3) and 21.10(4) of the Act and section 139 of Regulation 1015 made pursuant to the Act that require the Applicant to deliver its audited annual financial statements, together with an auditor's report thereon, to the Commission within 90 days after the end of its financial year.

Statute Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21.10(3), 21.10(4), 147.

Regulation Cited

R.R.O. 1990, Regulation 1015, amended to O. Reg. 500/06, s. 139.

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

AND

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

AND

IN THE MATTER OF SAGUENAY CAPITAL, LLC

ORDER (Section 147 of the Act)

UPON the application (the **Application**) of Saguenay Capital, LLC (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to Section 147 of the Regulation, exempting the Applicant from the provisions in subsection 21.10(3) and 21.10(4) of the Act and section 139 of the Regulation (together, the **Financial Statement Submission Requirements**), that require a registrant that is registered under the Act as an adviser to deliver to the Commission its annual audited financial statements, together with an auditor's report thereon, within 90 days after the end of its financial year (the **Filing Deadline**);

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability company formed under the laws of the State of Delaware in the United States of America. Its head office is

located in the State of New York, United States of America.

2. The Applicant is registered under the Act as:
 - (i) a non-Canadian adviser in the categories of investment counsel and portfolio manager; and
 - (ii) a dealer in the category of limited market dealer.
3. The Applicant is registered as an investment adviser with the United States Securities and Exchange Commission (the **SEC**) and is subject to requirements of the U.S. *Investment Advisers Act of 1940* (the **Advisers Act**) and the rules thereunder.
4. The Applicant is not a "reporting issuer" in Ontario as such term is defined in the Act.
5. The Applicant provides investment advisory services for which it earns incentive and management fees.
6. The financial year-end of the Applicant is December 31 in each year.
7. The Applicant manages portfolios for family offices, high net worth individuals and institutional investors. It also serves as an investment adviser to Saguenay Offshore Fund, Ltd., an offshore fund of funds and Saguenay Fund II, LLC (**Saguenay Fund II**), a U.S. domestic fund of funds, (collectively, the **Funds**). Each of the Funds is offered only on a private placement basis.
8. The financial year-end of the Funds is December 31 in each year.
9. The Funds primarily invest their assets in a portfolio of underlying independently managed funds (the **Underlying Funds**). The Underlying Funds are offered only on a private placement basis.
10. The Applicant, the Funds and the Underlying Funds are subject to different financial reporting deadlines in the United States of America. In accordance with Section 206(4)-2(b) of the General Rules and Regulations under the Advisers Act, the Underlying Funds are required to distribute to investors their audited annual financial statements no later than 120 days after their year-ends, that is, on or before April 30 in each year, while the Applicant and the Funds are required to distribute their audited annual financial statements no later than 180 days after their year-ends (the **US Delivery Deadlines**).
11. The Applicant has invested capital in Saguenay Fund II, such that approximately 35% of the

- Applicant's capital consists of its investment in that Fund. The Applicant's ownership interest in the Funds represents less than 0.10% of the aggregate net asset value of the Funds. The Applicant has no direct investment in any of the Underlying Funds.
12. For the reporting year 2006, the Applicant became subject to Issue 04-05 of the Emerging Issues Task Force of the Financial Accounting Standards Board (**EITF Issue 04-05**), which requires the Applicant to consolidate the financial statements of Saguenay Fund II with its own financial statements.
 13. The Applicant's revenues are derived in part from management fees earned from its advisory services provided to the Funds.
 14. The Financial Statement Submission Requirements provide that the Applicant must deliver its annual audited financial statements, together with an auditor's report, to the Commission before the Filing Deadline, that is, by March 31 in each year.
 15. In light of the U. S. Delivery Deadlines, EITF Issue 04-05 and the fact that approximately 35% of the Applicant's capital consists of its investment in Saguenay Fund II, it is not possible for the Applicant's auditors to complete the audit of the Applicant and to provide an audit opinion on the Applicant's annual financial statements until the audit of the Funds and the Underlying Funds have been completed.
 16. Without the relief requested, the Applicant will not be able to meet the Financial Statement Submission Requirements by filing its audited annual financial statements, together with an auditor's report thereon, before the Filing Deadline.
- (c) where the Applicant is required, pursuant to the rules and regulations of the relevant United States accounting and regulatory bodies, to produce its audited annual financial statements within a time period earlier than 180 days after its year end, the Applicant shall file its audited annual financial statements with the Commission by such earlier date;
 - (d) where the Applicant's auditors are otherwise able to complete the audit of the Applicant and provide an audit opinion on the Applicant's annual financial statements within a time period earlier than 180 days after the Applicant's year end, the Applicant shall file its audited annual financial statements with the Commission by such earlier date;
 - (e) the provisions of EITF Issue 04-05 continue to apply to the Applicant and the Funds such that the Applicant is required to consolidate the financial statements of Saguenay Fund II with its own financial statements, or the Applicant's invested capital in Saguenay Fund II remains at a level that requires its auditor to rely on the audit of Saguenay Fund II to complete the audit of the Applicant;
 - (f) the Applicant is not a "reporting issuer" in Ontario as such term is defined in the Act;
 - (g) each of the Funds and the Underlying Funds are offered only on a private placement basis; and
 - (h) the Underlying Funds remain managed independently from the Applicant.

December 21, 2007

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

"Paul K. Bates"
Commissioner
Ontario Securities Commission

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

IT IS ORDERED, pursuant to section 147 of the Act, that the Applicant is exempt from the Financial Statement Submission Requirements, provided that:

- (a) the Applicant delivers to the Commission its annual audited financial statements and other regulatory filings as prescribed by the regulations, together with an auditor's report, within 180 days after the end of its financial year;
- (b) the Applicant delivers to the Commission its annual unaudited financial statements within 90 days after the end of its financial year;

2.2.9 Bank of Nova Scotia and Scotiabank Subordinated Notes Trust - OSC Rule 13-502 Fees, s. 2.2

Headnote

Application by bank (the Bank) and subordinated notes trust subsidiary (the Trust) for an order granting the Trust relief from the requirement in OSC Rule 13-502 Fees (the Fees Rule) to pay participation fees -- Bank has paid, and will continue to pay, participation fees applicable to it under s. 2.2 of the Fee Rule, and includes capitalization of Trust in its calculation -- relief analogous to relief for "subsidiary entities" contained in s. 2.9(2) of the Fees Rule -- Trust may not, from a technical accounting perspective, be considered to be a "subsidiary entity" of Bank for Canadian GAAP purposes and may not be entitled to rely on the exemption in s. 2.9(2) of the Fees Rule -- Trust and Bank satisfy conditions of exemption in s. 2.9(2) but for definition of "subsidiary entity".

Rules Cited

OSC Rule 13-502 Fees, ss. 2.2, 2.9(2).

**IN THE MATTER OF
ONTARIO SECURITIES COMMISSION
RULE 13-502 FEES**

AND

**IN THE MATTER OF
THE BANK OF NOVA SCOTIA AND
SCOTIABANK SUBORDINATED NOTES TRUST**

ORDER

WHEREAS the Director has received an application from The Bank of Nova Scotia (the "**Bank**") and Scotiabank Subordinated Notes Trust (the "**Trust**") for an order, pursuant to Section 6.1 of Ontario Securities Commission Rule 13-502 - Fees (the "**Fee Rule**"), that the requirement to pay a participation fee under Section 2.2 of the Fee Rule will not apply to the Trust, subject to certain terms and conditions.

AND WHEREAS the Bank and the Trust have represented to the Ontario Securities Commission (the "**Commission**") that:

1. The Trust is a closed-end trust established under the laws of the Province of Ontario by Computershare Trust Company of Canada, as trustee (the "**Trustee**"), pursuant to a declaration of trust dated September 27, 2007, as amended and restated on October 31, 2007.
2. The Trust has a financial year-end of December 31.
3. The Trust is a reporting issuer in Ontario and, to its knowledge, is not in default of any requirement

under the securities legislation of the Province of Ontario.

4. The Bank is the administrative agent of the Trust pursuant to an amended and restated administration agreement dated October 31, 2007 pursuant to which the Trustee has delegated to the Bank certain of its obligations in relation to the administration of the Trust, including the day-to-day operations of the Trust and such other matters as may be requested from time to time by the Trustee.
5. The outstanding securities of the Trust consist of: (i) \$1,000,000,000 5.25% principal amount of Trust Subordinated Notes due November 1, 2017, representing subordinated indebtedness of the Trust ("**Scotia TSNs — Series A**") and (ii) voting units of the Trust (the "**Voting Trust Units**") and, collectively with the Scotia TSNs — Series A, the "**Trust Securities**"). The Scotia TSNs — Series A are fully and unconditionally guaranteed on a subordinated basis by the Bank. All outstanding Voting Trust Units are held by the Bank. The Trust distributed the Scotia TSNs — Series A in a public offering pursuant to a prospectus dated October 24, 2007 (the "**Offering**" and the "**Prospectus**"). Subject to certain conditions, the Trust may redeem the outstanding Scotia TSNs — Series A. Upon the occurrence of any one of the following events, the Scotia TSNs — Series A will be exchanged automatically, without the consent of the holders, into subordinated debt of the Bank: (i) an application for a winding-up order in respect of the Bank pursuant to the *Winding-up and Restructuring Act* (Canada) (the "**Winding-Up Act**") is filed by the Attorney General of Canada or a winding-up order in respect of the Bank pursuant to the *Winding-Up Act* is granted by a court; (ii) the Superintendent of Financial Institutions (Canada) (the "Superintendent") advises the Bank in writing that the Superintendent has taken control of the Bank or its assets pursuant to the *Bank Act* (Canada) (the "**Bank Act**"); (iii) the Superintendent advises the Bank in writing that the Bank has a risk-based Tier 1 capital ratio of less than 5.0% or a risk-based total capital ratio of less than 8.0%; (iv) the board of directors of the Bank advises the Superintendent in writing that the Bank has a risk-based Tier 1 capital ratio of less than 5.0% or a risk-based total capital ratio of less than 8.0%; or (v) the Superintendent directs the Bank, pursuant to the *Bank Act*, to increase its capital or provide additional liquidity and the Bank elects to cause the automatic exchange as a consequence of the issuance of the Superintendent within the time specified. No securities of the Trust are currently listed on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
6. The Trust's only business is to invest its assets and its objective is to acquire and hold deposit

notes of the Bank and other eligible investments that will generate income for payment of principal, interest and any other amounts in respect of the Trust Securities. The Trust does not carry on any independent business activities other than to acquire and hold assets to generate income as described above.

7. Pursuant to and subject to the conditions in the MRRS Decision Document dated December 21, 2007 (the “**Continuous Disclosure Exemption**”) granted to the Trust by the Commission, as principal regulator, and the other decision makers (collectively, the “**Decision Makers**”), the Decision Makers determined that the requirements contained in the securities legislation of the Province of Ontario and in other applicable jurisdictions (collectively, the “**Legislation**”) to:

- (i) file interim financial statements and audited annual financial statements and deliver same to the holders of the Trust Securities, pursuant to Sections 4.1, 4.3 and 4.6 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”);
- (ii) file interim and annual management’s discussion and analysis (“**MD&A**”) of the financial conditions and results of operations and deliver same to the holders of the Trust Securities pursuant to Section 5.1 and 5.6 of NI 51-102;
- (iii) file an annual information form pursuant to section 6.1 of NI 51-102; and
- (iv) comply with any other requirements of NI 51-102.

(collectively, the “**Continuous Disclosure Obligations**”); and

- (b) file interim and annual certificates contained in Parts 2 and 3 of Multilateral Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings (MI 52-109) (the “**Certification Obligations**”);

will not apply to the Trust for so long as:

with respect to the Continuous Disclosure Obligations:

- (i) the Bank remains a reporting issuer, or the equivalent, in each jurisdiction where such concept

exists, under the Legislation and has filed all documents it is required to file;

- (ii) the Bank files with the Decision Makers, in electronic format under the Trust’s System for Electronic Document Analysis and Retrieval (SEDAR) profile all documents that the Bank is required to file under the Legislation, other than in connection with a distribution, at the same time as they are filed by the Bank with a Decision Maker;
- (iii) the Trust pays all filing fees that would otherwise be payable by the Trust in connection with the filing of the documents referred to in paragraph (a) above;
- (iv) the Trust sends or causes the Bank to send its interim and annual financial statements and interim and annual MD&A, as applicable, to holders of the Trust’s debt securities all disclosure materials that are sent to holders of similar debt securities of the Bank in the manner and at the time required by the Legislation;
- (v) all outstanding securities of the Trust are either Scotia TSNs – Series A, additional series of debt securities having terms substantially similar to the Scotia TSNs - Series A or Voting Trust Units;
- (vi) the rights and obligations of holders of additional series of debt securities of the Trust are the same in all material respects as the rights and obligations of the holders of the Scotia TSNs – Series A, with the exceptions of economic terms such as the rate of interest, redemption dates and maturity dates;
- (vii) the Bank is the beneficial owner of all issued and outstanding voting securities of the Trust, including the Voting Trust Units;
- (viii) the Trust continues to have minimal or no assets, operations, revenues or cash flows other than those related to

the issuance, administration and repayment of the Scotia TSNs – Series A or additional series of debt securities having terms substantially similar to the Scotia TSNs – Series A; and

- (ix) the Trust issues a news release and files a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the Trust that are not also material changes in the affairs of the Bank; and

with respect to the Certification Obligations:

- (i) the Trust is and continues to be exempted from the Continuous Disclosure Obligations; and
- (ii) the Bank files with the Decision Makers, in electronic format under the Trust's SEDAR profile, the interim and annual certificates filed by the Bank under MI 52-109 at the same time as such documents are required under the Legislation to be filed by the Bank.

The Continuous Disclosure Exemption will expire 30 days after the date a material adverse change occurs in the affairs of the Trust.

- 8. The Trust was established by the Trustee on the direction of the Bank in order to comply with the regulatory requirements of the Office of the Superintendent of Financial Institutions ("OSFI") relating to the issuance of innovative Tier 2B capital instruments (as contained in OSFI's Principles Governing Inclusion of Innovative Instruments in Tier 2B Capital (the "**OSFI Guidelines**")).

- 9. OSFI maintains strict guidelines and standards with respect to the capital adequacy requirements of federally regulated financial institutions, including the Bank, and, in particular, specifies minimum required amounts of regulatory capital maintained by such institutions. Tier 1 capital consist of common shareholders' equity, qualifying non-cumulative perpetual preferred shares, qualifying innovative instruments and qualifying non-controlling interests arising on consolidation from Tier 1 capital instruments while Tier 2 capital consists primarily of subordinated debt. Innovative instruments, such as the Scotia TSNs — Series A, must satisfy the detailed requirements of the OSFI Guidelines to be included in Tier 2B capital. Accordingly, the innovative instruments (Scotia TSNs — Series A)

must be issued by a special purpose vehicle (the Trust), whose primary purpose is to raise innovative Tier 2B capital. OSFI approved the inclusion of the Scotia TSNs — Series A as Tier 2B capital of the Bank.

- 10. No continuous disclosure documents concerning only the Trust will be filed with the Commission other than as contemplated by paragraph 7 hereof.
- 11. The Trust is a "Class 2 reporting issuer" under the Fee Rule and would be required (but for this Order) to pay participation fees under such rule.
- 12. The Bank, as a legal and factual matter, controls the Trust though its ownership of the Voting Trust Units issued by the Trust and its role as administrative agent of the Trust. The Bank has paid, and will continue to pay, participation fees applicable to it under Section 2.2 of the Fee Rule.
- 13. The Fee Rule includes an exemption for "subsidiary entities" in subsection 2.9(2) of the Fee Rule. The Bank and the Trust meet all of the substantive requirements to rely on the exemption in subsection 2.9(2) of the Fee Rule, but for the definition of "subsidiary entity". The Fee Rule defines "subsidiary entity" by reference to the accounting definition under Canadian generally accepted accounting principles ("**GAAP**"), rather than by reference to a legal definition based on control.
- 14. On November 1, 2004, the Canadian Institute of Chartered Accountants adopted Guideline 15, Consolidation of Variable Interest Entities. Accordingly, the Trust may not, from a technical accounting perspective, be considered to be a "subsidiary entity" of the Bank for Canadian GAAP purposes and may not be entitled to rely on the exemption in subsection 2.9(2) of the Fee Rule.

IT IS ORDERED under the Fee Rule that the requirement to pay a participation fee under Section 2.2 of the Fee Rule will not apply to the Trust, for so long as:

- (i) the Bank and the Trust continue to satisfy all of the conditions contained in the Continuous Disclosure Exemption; and
- (ii) the capitalization of the Trust represented by the Scotia TSNs — Series A and any additional securities of the Trust that may be issued, from time to time, by the Trust is included in the participation fee calculation applicable to the Bank and the Bank has paid the participation fee calculated on this basis

DATED at Toronto this 27th day of December, 2007

"Cameron McInnis"
Manager, Corporate Finance Branch

2.2.10 Sun Life Financial Inc. et al. - OSC Rule 13-502 Fees, s. 2.2

Headnote

Special purpose trust set up to issue securities that comply with regulatory requirements of Office of the Superintendent of Financial Institutions relating to the issuance of innovative Tier 1 capital instruments - exempt from requirement to pay participation fees, subject to conditions.

Statutes Cited

Ontario Securities Commission Rule 13-502 Fees.

**IN THE MATTER OF
ONTARIO SECURITIES COMMISSION
RULE 13-502 – FEES**

AND

**IN THE MATTER OF
SUN LIFE FINANCIAL INC.,
SUN LIFE ASSURANCE COMPANY OF CANADA AND
SUN LIFE CAPITAL TRUST**

ORDER

WHEREAS the Director has received an application from Sun Life Capital Trust (the **Trust**), Sun Life Assurance Company of Canada (**SLA**) and Sun Life Financial Inc. (**SLF**) for an order pursuant to section 6.1 of Ontario Securities Commission Rule 13-502 – *Fees* (the **Fees Rule**) that the requirement to pay a participation fee under section 2.2 of the Fees Rule shall not apply to the Trust, subject to certain terms and conditions;

AND WHEREAS the Trust, SLA and SLF have represented to the Director that:

1. The Trust is an open-end trust established under the laws of Ontario by The Canada Trust Company, as trustee, pursuant to a declaration of trust dated as of August 9, 2001. The Trust is a reporting issuer in Ontario and, to its knowledge, is not in default of any requirement under the securities legislation of the Province of Ontario.
2. The capital of the Trust consists of an unlimited number of units divided into one class of voting Special Trust Securities issuable in series and one class of non-voting Sun Life Exchangeable Capital Securities issuable in series (the **SLEECs**, and collectively with the Special Trust Securities, the **Trust Securities**). As of November 26, 2007 the outstanding Trust Securities consist of 2,000 Special Trust Securities, 9,500,000 SLEECs – Series A, and 20,000,000 SLEECs – Series B.
3. The outstanding Special Trust Securities are all held by SLA, which is a wholly-owned subsidiary of SLF. Both SLA and SLF are reporting issuers

in Ontario and, to their knowledge, are not in default of any requirement under the securities legislation of the Province of Ontario.

4. The outstanding SLEECs – Series A were issued pursuant to a public offering in October 2001 and are listed on the Toronto Stock Exchange. The outstanding SLEECs – Series B were issued pursuant to a public offering in June 2002 and are not listed on any exchange.
5. The Trust is a special purpose issuer established by SLF and SLA to comply with the regulatory requirements of the Office of the Superintendent of Financial Institutions (Canada) (**OSFI**) relating to the issuance of innovative Tier 1 capital instruments (the **OSFI Requirements**). The Trust does not conduct any business activities other than acquiring and holding assets to generate income for distribution to the holders of Trust Securities.
6. OSFI maintains strict guidelines with respect to the capital adequacy of federally regulated financial institutions, including SLF and SLA, and, in particular, specifies minimum amounts of Tier 1 capital to be maintained by such institutions. When the SLEECs were issued, the OSFI Requirements were such that innovative instruments such as the SLEECs had to be issued by a special purpose vehicle such as the Trust that was a consolidated non-operating entity whose primary purpose was to raise innovative Tier 1 capital.
7. Issuing innovative instruments such as the SLEECs is a cost-effective means of raising Tier 1 capital for SLF and SLA. However, the SLEECs could not have been issued directly under the OSFI Requirements. If SLF could have issued the SLEECs directly, they would have been included in the calculation of SLF's participation fee in accordance with the Fees Rule.
8. In accordance with amendments to Canadian generally accepted accounting principles (**GAAP**) that SLF and SLA adopted as of January 1, 2005, the assets and liabilities of the Trust are no longer consolidated in the financial statements of SLF and SLA, and the Trust is no longer a "subsidiary" of SLF and SLA as defined under GAAP. However, OSFI has confirmed that the SLEECs continue to be treated as Tier 1 capital notwithstanding such amendments to GAAP.
9. The Trust was previously exempt from section 2.2 of the Fees Rule pursuant to an order of the Director dated April 20, 2005 (the **2005 Fee Relief**). However, one of the conditions of the 2005 Fee Relief was that the Trust, SLF and SLA continue to satisfy all of the conditions in the orders that granted the Trust relief from certain continuous disclosure requirements and the Chief

Executive Officer and Chief Financial Officer certification requirements. These orders were granted on March 14, 2002 and May 14, 2004, respectively, and were revoked upon the granting of substantially similar continuous disclosure and certification relief to the Trust and SLA pursuant to an MRRS Decision Document dated November 14, 2007 (the **2007 Order**). Accordingly, the 2005 Fee Relief no longer applies.

10. In addition, the Trust does not qualify for the participation fee exemption contained in section 2.9 of the Fees Rule because it is not a "subsidiary entity" of SLF or SLA within the meaning of that rule, which is defined by reference to GAAP rather than by reference to a legal definition based on control.
11. Pursuant to the 2007 Order, the requirements to file and deliver, as applicable:
 - (a) annual financial statements under sections 78 and 79 of the Securities Act (Ontario) (the "**Act**") and sections 4.1 and 4.6 of National Instrument 51-102 – *Continuous Disclosure Obligations* (**NI 51-102**);
 - (b) interim financial statements under sections 77 and 79 of the Act and sections 4.3 and 4.6 of NI 51-102;
 - (c) annual information forms under section 6.1 of NI 51-102;
 - (d) annual and interim management's discussion and analysis of the financial condition and results of operations under section 5.1 of NI 51-102;
 - (e) press releases and material change reports under section 75 of the Act and section 7.1 of NI 51-102, in the case of material changes that are also material changes in the affairs of SLF;
 - (f) material contracts under section 12.2 of NI 51-102;
 - (g) annual certificates under section 2.1 of Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (**MI 52-109**); and
 - (h) interim certificates under section 3.1 of MI 52-109,

do not apply to the Trust provided that the conditions set out in the 2007 Order continue to be met.

12. No continuous disclosure documents concerning only the Trust will be filed with the OSC unless the conditions in the 2007 Order are not satisfied.
13. SLA, as a legal and factual matter, controls the Trust though its ownership of the Special Trust Securities and its role as administrative agent of the Trust.
14. SLF has paid, and will continue to pay, participation fees applicable to it under section 2.2 of the Fees Rule.

THE ORDER OF THE DIRECTOR under the Fees Rule is that the requirement to pay a participation fee under section 2.2 of the Fees Rule shall not apply to the Trust for so long as:

- (a) the Trust, SLA and SLF continue to satisfy all of the conditions contained in the 2007 Order; and
- (b) the capitalization of the Trust represented by the SLEECs and any additional securities that may be issued, from time to time, by the Trust is included in the participation fee calculation applicable to SLF and SLF has paid the participation fee calculated on this basis.

DATED at Toronto this 19th day of December, 2007.

"Iva Vranic"
Manager, Corporate Finance
Ontario Securities Commission

2.2.11 MRS Sciences Inc. et al. - s. 127(1)

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

AND

**IN THE MATTER OF
MRS SCIENCES INC.
(FORMERLY MORNINGSIDE CAPITAL CORP.),
AMERICO DEROSA, RONALD SHERMAN,
EDWARD EMMONS AND IVAN CAVRIC**

**ORDER
SUBSECTION 127(1)**

WHEREAS on November 30, 2007 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, to consider whether it is in the public interest to make the certain orders against MRS Sciences Inc., Americo Derosa, Ronald Sherman, Edward Emmons and Ivan Cavric;

AND WHEREAS Staff have served MRS Sciences Inc., Americo Derosa, Edward Emmons and Ivan Cavric as evidenced by the affidavits of service filed as Exhibits;

AND WHEREAS Staff have advised that they have attempted to serve but have not yet served the Notice of Hearing issued November 30, 2007 and the Statement of Allegations dated November 29, 2007 on Ronald Sherman as evidenced by the affidavits of attempted service filed as an Exhibit;

AND WHEREAS Staff have advised that five volumes of disclosure have been prepared and will be couriered to counsel for Ivan Cavric by January 4, 2008;

AND WHEREAS counsel for Ivan Cavric has advised that he is also appearing as agent for MRS Sciences Inc., Americo Derosa, and Edward Emmons;

AND WHEREAS Staff of the Commission and counsel for Ivan Cavric and agent for MRS Sciences Inc., Americo Derosa and Edward Emmons consent to an adjournment of this matter to Thursday, January 31, 2008 at 10:00 a.m. to speak to this matter;

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

IT IS ORDERED that the matter is adjourned to Thursday, January 31, 2008 at 10:00 a.m.

Dated at Toronto this 28th day of December 2007

"James E.A. Turner"

2.2.12 Jefferies Asset Management, LLC - ss. 3.1(1), 80 of the CFA

Section 80 of the Commodity Futures Act (Ontario) – Renewal of previous order (granted January 7, 2005) providing an exemption from the adviser registration requirements of subsection 22(1)(b) of the CFA in respect of acting as an adviser to certain mutual funds, non-redeemable investment funds and similar investment vehicles established outside of Canada, the securities of which are primarily offered outside of Canada, in respect of trades in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada, subject to certain terms and conditions.

Subsection 3.1(1) of the Commodity Futures Act (Ontario) – Assignment by the Commission to the Director of the powers and duties vested in the Commission under subsection 78(1) of the CFA to allow the Director to vary the present order by specifically naming an affiliate as an applicant to the order.

Fees waived as application only required because amendments to or a rule under the CFA that would have a similar effect as section 7.10 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. 3.1(1), 22(1)(b), 78, 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
JEFFERIES ASSET MANAGEMENT, LLC**

**ORDER
(Section 80 and Subsection 3.1(1) of the CFA)**

UPON the application (the **Application**) of Jefferies Asset Management, LLC (**Jefferies**) and certain affiliates of Jefferies that provide notice to the Director as referred to below (each, an **Affiliate**, and together with Jefferies, the **Applicants**) to the Ontario Securities Commission (the **Commission**) for:

- (a) an order, pursuant to section 80 of the CFA, renewing the exemption order granted by the Commission on January 7, 2005, that each of the Applicants (including their respective directors, partners, officers, and employees), be exempt, for a period of five years, from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser to certain mutual funds, non-redeemable investment funds and similar investment vehicles established outside of Canada (the **Funds**, as defined below), the securities of which are primarily offered outside of Canada, in respect of trades in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada; and
- (b) an assignment by the Commission to each Director, acting individually, pursuant to subsection 3.1(1) of the CFA, of the powers and duties vested in the Commission under subsection 78(1) of the CFA, to vary this Order by specifically naming any Affiliate of Jefferies as an Applicant to this Order in the circumstances described below;

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

AND UPON the Applicants having represented to the Commission that:

- 1. Each of the Applicants is or will be organized under the laws of a jurisdiction other than Canada or the provinces or territories thereof. In particular, Jefferies is a limited liability company organized under the laws of the State of Delaware in the United States of America.
- 2. Any Affiliate, whose name does not specifically appear in this Order, who wishes to rely on the exemption granted under this Order must execute and file with the Commission (Attention: Manager, Registrant Regulation) two copies of a notice (the **Notice**, in the form of Part A to the attached Schedule A), applying to the Director to vary this Order to

specifically name the Affiliate as an Applicant to this Order. The Notice must be filed with the Commission at least ten (10) days prior to the date that such Affiliate wishes to begin relying on this Order.

3. If, in the Director's opinion, it would not be prejudicial to the public interest, within ten (10) days after receiving the Notice, the Director will provide the Affiliate with a written acknowledgment and consent (the **Director's Consent**, in the form of Part B to the attached Schedule A). The Director's Consent will allow the Affiliate to rely on the exemption granted in this Order by varying the Order to specifically name the Affiliate as an Applicant to this Order. The Affiliate may not rely on this Order until it has received the Director's Consent.
4. If, after reviewing the Notice, the Director provides a written notice of objection (the **Objection Notice**) to the Affiliate, the Affiliate will not be permitted to rely on the exemption granted under this Order. However, the Affiliate may, by notice in writing sent by registered mail to the Secretary of the Commission within 30 days after receiving the Objection Notice, request and be entitled to a hearing and review of such decision by the Commission.
5. Subsection 78(1) of the CFA provides that the Commission may, on the application of a person or company affected by the decision, make an order revoking or varying a decision of the Commission if, in the Commission's opinion, the order would not be prejudicial to the public interest. Further, subsection 3.1(1) of the CFA provides that a quorum of the Commission may assign any of its powers and duties under the CFA (except powers and duties under section 4 and Part IV) to the Director.
6. None of the Applicants are or will be registered in any capacity under the CFA or the *Securities Act* (Ontario) (the **OSA**).
7. Jefferies serves as the investment manager and/or investment adviser to, among other mutual funds, non-redeemable investment funds or similar investment vehicles, Jefferies Buckeye Fund, LLC, a Delaware limited liability company (the **Buckeye Onshore Fund**), Jefferies Buckeye Fund (Cayman), Ltd., a Cayman Islands exempted company (the **Buckeye Offshore Fund**), and Buckeye Master Fund, Ltd., a Cayman Islands exempted company (the Buckeye Master Fund) (all of the foregoing funds are referred to together as the **Existing Funds**). The Applicants may in the future establish or advise certain other mutual funds, non-redeemable investment funds or similar investment vehicles (together with the Existing Funds, the **Funds**). The Buckeye Onshore Fund, the Buckeye Offshore Fund and the Buckeye Master Fund were formed on February 13, 2006, March 17, 2006 and February 14, 2006, respectively.
8. The Funds may, as a part of their investment program, invest in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside of Canada and primarily cleared through clearing corporations outside of Canada.
9. The Funds advised by the Applicants are and will be established outside of Canada. Securities of the Funds are and will be primarily offered outside of Canada to institutional investors and high net worth individuals. Securities of the Funds will be offered to certain Ontario residents who will be, at the time of their investment, institutional investors or high net worth individuals that qualify as an "accredited investor" under National Instrument 45-106 – *Prospectus and Registration Exemptions* and will be distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA and an exemption from the adviser registration requirement of the OSA under section 7.10 of OSC Rule 35-502 – *Non Resident Advisers* (**Rule 35-502**).
10. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser. Under the CFA, "adviser" means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to trading in "contracts", and "contracts" means commodity futures contracts and commodity futures options.
11. By advising the Funds on investing in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada, the Applicants will be providing advice to Ontario investors with respect to commodity futures contracts and commodity futures options and, in the absence of being granted the requested relief, would be required to register as advisers under the CFA.
12. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA for a person or company acting as an adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption that is provided under section 7.10 of Rule 35-502 from the adviser registration requirement in section 25(1)(c) of the OSA for acting as an adviser (as defined in the OSA) in respect of securities.
13. As would be required under section 7.10 of Rule 35-502, securities of the Funds are, or will be:

- (a) primarily offered outside of Canada;
 - (b) only distributed in Ontario through one or more registrants under the OSA; and
 - (c) distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA.
14. Each of the Applicants, where required, is or will be appropriately registered or licensed or is or will be entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of its principal jurisdiction. In particular, Jefferies (i) is currently registered with the U.S. Securities and Exchange Commission as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended, (ii) is currently exempt from registration with the U.S. Commodity Futures Trading Commission (**CFTC**) but has applied with the CFTC for registration as a commodity trading advisor, and (iii) is not subject to the rules of the U.S. National Futures Association (**NFA**) but has applied to be a member of the NFA.
15. All of the Funds issue securities which are offered primarily abroad. None of the Funds has any intention of becoming a reporting issuer in Ontario or in any other Canadian jurisdiction.
16. Prior to purchasing any securities in one or more of the Funds, all investors in the Funds who are Ontario residents will receive disclosure that includes:
- (a) a statement that there may be difficulty in enforcing any legal rights against the relevant Fund or any of the Applicants (or the individual representatives of the Applicants) advising the relevant Fund, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and
 - (b) a statement that the relevant Applicant advising the relevant Fund is not, or will not be, registered with or licensed by any regulatory authority in Canada, and accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of securities of the relevant Fund.

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

IT IS ORDERED pursuant to section 80 of the CFA that each of the Applicants is exempted from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser in connection with any one or more of the Funds, for a period of five years, provided that at the relevant time that such activities are engaged in:

- (a) each Applicant, where required, is registered or licensed, or is entitled to rely on appropriate exemptions from such registrations or licences, to provide advice to the relevant Fund pursuant to the applicable legislation of its principal jurisdiction;
- (b) the Funds invest in commodity futures contracts and commodity futures options primarily traded on commodity futures exchanges outside Canada and primarily cleared through clearing corporations outside Canada;
- (c) securities of the Funds are:
 - (i) primarily offered outside of Canada,
 - (ii) only distributed in Ontario through one or more registrants under the OSA; and
 - (iii) distributed in Ontario in reliance on an exemption from the prospectus requirements of the OSA and upon an exemption from the adviser registration requirement of the OSA under section 7.10 of Rule 35-502;
- (d) prior to purchasing any securities in one or more of the Funds, all investors in the Funds who are Ontario residents received disclosure that includes:
 - (i) a statement that there may be difficulty in enforcing any legal rights against the relevant Fund or any of the Applicants (or the individual representatives of the Applicants) advising the relevant Fund, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and
 - (ii) a statement that the relevant Applicant advising the relevant Fund is not, or will not be, registered with or licensed by any regulatory authority in Canada, and accordingly, the protections available to

clients of a registered adviser under the CFA will not be available to purchasers of securities of the relevant Fund; and

- (e) each Applicant either:
 - (i) is specifically named in this Order; or
 - (ii) has filed with the Commission the Notice and received the Director's Consent.

AND IT IS FURTHER ORDERED pursuant to subsection 3.1(1) of the CFA that the Commission assigns to each Director, acting individually, the powers and duties vested in the Commission under subsection 78(1) of the CFA, to vary this Order by specifically naming any Affiliate of Jefferies as an Applicant to this Order (as described in paragraphs 2, 3 and 4 above) by providing such Affiliate with the Director's Consent, provided that, the Affiliate may, by notice in writing sent by registered mail to the Secretary of the Commission within 30 days after receiving the Objection Notice, request and be entitled to a hearing and review of such decision by the Commission.

December 28, 2008

"Harold P. Hands"
Commissioner
Ontario Securities Commission

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

Schedule A

To: Manager, Registrant Regulation
Ontario Securities Commission

From: _____ (the **Affiliate**)

Re: In the Matter of *Jefferies Asset Management, LLC* (the **Named Applicant**)

OSC File No.: 2007/1021

Part A: Notice to the Ontario Securities Commission (the Commission)

The undersigned, being an authorized representative of the Affiliate, hereby represents to the Commission that:

- (a) on December __, 2007, the Commission issued the attached order (the **Order**), pursuant to section 80 of the *Commodity Futures Act* (Ontario) (the **CFA**), that each of the Applicants (as defined in the Order) is exempt from the requirements of paragraph 22(1)(b) of the CFA in respect of acting as an adviser in connection with any one or more of the Funds (as defined in the Order), for a period of five years;
- (b) the Affiliate, is an affiliate of one of the Named Applicants;
- (c) the Affiliate, whose name does not specifically appear in the Order, wishes to rely on the exemption granted under the Order and hereby applies to the Director, under section 78 of the CFA, to vary the Order to specifically name the Affiliate as an Applicant to the Order;
- (d) the Affiliate has attached a copy of the Order to this Notice;
- (e) the Affiliate confirms the truth and accuracy of all the information set out in the Order;
- (f) this Notice has been executed and filed with the Commissioner at least ten (10) days prior to the date on which the Affiliate wishes to begin relying on the Order; and
- (g) the Affiliate has not, and will not, rely on the Order until it has received a written acknowledgment and consent from the Director as provided in Part B herein.

Dated this ____ day of _____, 20__.

By: Name: _____
Title:

Part B: Acknowledgment and Consent by Director

I acknowledge receipt of your Notice, dated _____, 20__, providing the Commission with notice, as described in the Order, that the Affiliate, whose name does not specifically appear in the Order, wishes to rely on the exemption granted under the Order and has applied to have the Order varied to specifically name the Affiliate as an Applicant to the Order.

Based on the representations contained in the Order and in your Notice, I do not consider it prejudicial to the public interest to vary the Order to specifically name the Affiliate as an Applicant to the Order and do hereby so vary the Order.

Dated this ____ day of _____, 20__.

Name:
Title:
Ontario Securities Commission

2.3 Rulings

2.3.1 Research Now PLC et al. - s. 74(1)

Headnote

Relief from the prospectus requirements in connection with the first trade of shares distributed to residents of Canada in connection with an agreement of sale and purchase – issuer not a reporting issuer in any jurisdiction of Canada – the conditions of the exemption in section 2.14 of National Instrument 45-102 Resale of Securities not fully met as resident of Canada own more than 10% of the total number of shares – relief granted subject to conditions, including that the first trade must be made through an exchange or market outside of Canada or to a person or company outside of Canada.

Applicable Legislative Provisions

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

Rules Cited

National Instrument 45-102 Resale of Securities.

December 11, 2007

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

AND

IN THE MATTER OF
RESEARCH NOW PLC
(the Corporation)

AND

THE CANADIAN SHAREHOLDERS
OF THE CORPORATION BEING
THE KARRY TRUST, THE VISSER TRUST,
WILLIAM JEFFREY KARRY, JOHN VISSER,
LAUREL KARRY, MICHELLE VISSER AND
BERRYCOVE ESTATES INC.
(collectively the Canadian Shareholders)

RULING
(Subsection 74(1) of the Act)

UPON the application of Research Now Plc (the Corporation) and the Canadian Shareholders of the Corporation to the Ontario Securities Commission (the Commission) for a ruling pursuant to subsection 74(1) of the Act that section 53 of the Act will not apply to first trades, as such term is used in NI 45-102 – *Resale of Securities* (NI 45-102), of the Earn-Out Shares (as defined below) issued to the Canadian Shareholders by the Corporation in respect of the purchase on February 6, 2007, of the whole of the issued and outstanding share capital (the **Samplenet Shares**) of Samplenet e-Research

Solutions Inc. (**Samplenet**) from the Canadian Shareholders, among others, provided that at the date of the first trade of the Earn-Out Shares, the Corporation is not a reporting issuer in any jurisdiction in Canada where such concept exists and the first trade of the Earn-Out Shares is made on the AIM market of the London Stock Exchange (AIM) or on another exchange or market outside of Canada or to a person or company outside of Canada.

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

AND UPON the Corporation and the Canadian Shareholders having represented to the Commission that:

1. The Corporation is a company incorporated and existing under the laws of England and Wales with number 3975073 whose registered office is at Elizabeth House, 8th Floor, 39 York Road, London SE1 7NQ.
2. The authorized capital of the Corporation consists of £500,000 divided into 25,000,000 ordinary shares (each a **Share** and collectively the **Shares**) of which, as of March 19, 2007, 14,261,457 Shares (including the Initial Consideration Shares, as defined below) were issued and admitted to trading on AIM, a market operated by the London Stock Exchange.
3. The Corporation is not a reporting issuer or its equivalent in any jurisdiction in Canada, nor are any of its securities listed or posted for trading on any stock exchange in Canada or elsewhere other than on AIM.
4. The Corporation has no present intention of becoming a reporting issuer in any jurisdiction in Canada.
5. As of March 19, 2007, the Corporation had approximately 189 registered shareholders, including the Canadian Shareholders, many of which appear to be nominee holders.
6. Except for the Canadian Shareholders, the Corporation is not aware of any Shares being held by a broker, dealer, bank, trust company or nominee for the account of residents of Canada, of any residents of Canada beneficially owning Shares, or of any holders of Shares having a principal place of business in Canada.
7. The Corporation and each of the holders of the Samplenet Shares (collectively the **Sellers**), entered into an agreement of sale and purchase dated January 30, 2007 (the **Purchase Agreement**) providing for the sale by the Sellers to the Corporation of all of the Samplenet Shares for consideration which included cash and Shares.
8. On February 6, 2007 (the **Initial Distribution Date**), pursuant to the terms of the Purchase

- Agreement, the Corporation paid, as consideration for the Samplenet Shares, cash to the Sellers and issued 1,115,322 Shares (the **Initial Consideration Shares**) to those holders of Samplenet Shares (the **Canadian Shareholders**) entitled to the Initial Consideration Shares pursuant to the terms of the Purchase Agreement. Initial Consideration Shares were not distributed to anyone other than the Canadian Shareholders.
9. The Initial Consideration Shares represented approximately 8% of the issued and outstanding Shares of the Corporation on the Initial Distribution Date after giving effect to the issuance of such Shares.
 10. The seven Canadian Shareholders, each resident in the Province of Ontario, represent less than 4% of the registered holders of the Shares of the Corporation.
 11. Of the seven Canadian Shareholders, approximately 80% of the Initial Consideration Shares and the Earn-Out Shares issued to the Canadian Shareholders have been, or will be, as the case may be, issued to two sets of spouses and their respective family trusts, with the remaining Initial Consideration Shares and Earn-Out Shares having been, or to be issued, as the case may be, to a single corporate shareholder.
 12. Pursuant to the terms of the Purchase Agreement, the Corporation may, upon the achievement of certain performance targets by the Corporation (relating to the performance of the Samplenet business) or alternatively the occurrence of certain triggering events in respect of the Corporation, be required to pay additional consideration, subject to a maximum amount, to the Sellers for the Samplenet Shares, by way of an earn-out (the **Earn-Out**).
 13. The Earn-Out, if payable, will be paid in respect of the fiscal years of the Corporation ending October 31, 2007 and October 31, 2008 and shall be determined and paid within approximately six months of October 31, 2007 and October 31, 2008, respectively, in respect of such fiscal years (each an **Earn-Out Distribution Date**) or earlier in one or both cases if a triggering event occurs.
 14. The Corporation may, in its sole discretion, pay up to 50% of the Earn-Out payable in respect of the 2007 and 2008 fiscal years, respectively, by issuing additional Shares to the Canadian Shareholders (the **Earn-Out Shares**). The Corporation may, alternatively, elect to pay cash in respect of more than 50% of the Earn-Out payable in respect of each of the 2007 and 2008 fiscal years, respectively.
 15. Pursuant to the terms of the Purchase Agreement, the Initial Consideration Shares and the Earn-Out
- Shares issued to the Canadian Shareholders will be subject to:
- (a) a one-year lock-up period following the relevant distribution date or Earn-Out Distribution Date, as the case may be, on which they were issued; and
 - (b) a contractual orderly marketing arrangement for a second year, with trades being required to be made through a broker nominated by the Corporation and requiring that the broker act in good faith with a view to maintaining an orderly market in the Shares, and in accordance with all applicable securities laws.
16. All of the issued Shares are admitted to trading on AIM. There is no market for the Shares in Canada and none is expected to develop. Accordingly, any first trade of the Initial Consideration Shares or Earn-Out Shares is expected to be made on AIM or another exchange or market outside of Canada (if the Shares became listed on any such other exchange or market) in accordance with the rules and regulations of such foreign market or to a person or company outside of Canada.
 17. The Earn-Out Shares will be and the Initial Distribution Shares were distributed under the prospectus exemption in Section 2.16(2) of National Instrument 45-106 – *Prospectus and Registration Exemptions* (**NI 45-106**) and the first trades of the Initial Consideration Shares are expected to meet the eligibility requirements for the exemption in Section 2.14(1) of NI 45-102.
 18. In the absence of an order granting relief, the first trade in the Earn-Out Shares by any of the Canadian Shareholders will be deemed a distribution pursuant to NI 45-102, unless, among other things, the Corporation has been a reporting issuer for four months immediately proceeding the trade in one of the jurisdictions set forth in Appendix B to NI 45-102.
 19. The first trade of the Earn-Out Shares will be deemed to be a distribution under NI 45-102 if the Corporation is not a reporting issuer in any jurisdiction in Canada
 20. Unless the Corporation becomes a reporting issuer, it will meet all eligibility criteria for the exception provided in Section 2.14(1) of NI 45-102 except that residents of Canada may own, at one or more of the Earn-Out Distribution Dates, more than 10% of the outstanding Shares.
 21. The Corporation is under no obligation to file a prospectus for the Earn-Out Shares and the Earn-Out Shares may as a result be subject to resale restrictions that may never expire.

22. Each of the Canadian Shareholders will receive copies of all shareholder materials provided to all other holders of Shares as required by the rules of the London Stock Exchange. The Corporation will be subject to reporting obligations under the rules of the London Stock Exchange.

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 Section 53 of the Act does not apply to the first trades of the Earn-Out Shares, provided that at the date of the first trade of the Earn-Out Shares by the Canadian Shareholders, the Corporation is not a reporting issuer in any jurisdiction in Canada where such concept exists and the first trade of the Earn-Out Shares is made on AIM or on another exchange or market outside of Canada or to a person or company outside of Canada.

DATED December 11th, 2007

"David L. Knight"
Commissioner
Ontario Securities Commission

"Carol S. Perry"
Commissioner
Ontario Securities Commission

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Delta Systems, Inc.	18 Dec 07	28 Dec 07	28 Dec 07	
AldeaVision Solutions Inc.	19 Dec 07	31 Dec 07	31 Dec 07	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Peace Arch Entertainment Group Inc.	13 Dec 07	24 Dec 07	24 Dec 07		
Luxell Technologies Inc.	07 Dec 07	20 Dec 07	20 Dec 07		
TS Telecom Ltd	06 Dec 07	19 Dec 07	19 Dec 07		
VVC Exploration Corporation	04 Jun 07	15 Jun 07	15 Jun 07	27 Dec 07	

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
AldeaVision Solutions Inc.	03 May 07	16 May 07	16 May 07		
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Constellation Copper Corporation	15 Nov 07	28 Nov 07	28 Nov 07		
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
Fareport Capital Inc.	13 Jul 07	26 Jul 07	26 Jul 07		
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
HMZ Metals Inc.	03 Apr 06	14 Apr 06	17 Apr 06		
VVC Exploration Corporation	04 Jun 07	15 Jun 07	15 Jun 07	27 Dec 07	
Peace Arch Entertainment Group Inc.	13 Dec 07	24 Dec 07	24 Dec 07		

Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Luxell Technologies Inc.	07 Dec 07	20 Dec 07	20 Dec 07		
TS Telecom Ltd.	06 Dec 07	19 Dec 07	19 Dec 07		

Chapter 5

Rules and Policies

5.1.1 Amendment Instrument to NI 14-101 Definitions

NOTICE OF AMENDMENTS TO NATIONAL INSTRUMENT 14-101 DEFINITIONS

Making of Amendment Instrument

On December 18, 2007, the Commission made amendments to National Instrument 14-101 *Definitions* under the *Securities Act* (Ontario) (Act).

Delivery of Amendment Instrument to Minister

Under subsection 143.3 of the Act, the Rule was delivered to the Minister of Finance on December 27, 2007. Unless the Minister rejects the Rule or returns it to the Commission for further consideration, it will come into force on March 17, 2008.

Substance and Purpose of Proposed Rule

The other CSA jurisdictions are proposing to make the identical changes to NI 14-101 as a consequential amendment to Multilateral Instrument 11-102 "*Passport System*". The target coming into force date of MI 11-102 is also on March 17, 2008. As the OSC is not making MI 11-102, we are proposing to make the amendments to NI 14-101 as a local amending rule.

The amendments to NI 14-101 reflect:

- (1) additional references to the definition of "person or company" in securities legislation of New Brunswick, Prince Edward Island, Quebec and the Yukon Territory;
- (2) changes to the name of the securities statutes in both Quebec and New Brunswick; and
- (3) changes to the name of the Securities Regulatory Authority and Regulator in New Brunswick, Prince Edward Island, Quebec and the Yukon Territory.

Summary of Comments Received

The changes to National Instrument 14-101 are not material and therefore the Rule was not published for comment.

Questions

Please refer your questions to:

Michael Balter
Senior Legal Counsel, General Counsel's Office
416-593-3739
mbalter@osc.gov.on.ca

Text of Amendment Instrument

The Amendment Instrument is published in Chapter 5 of the Bulletin.

January 4, 2008

**AMENDMENT INSTRUMENT TO
NATIONAL INSTRUMENT 14-101
DEFINITIONS**

Part 1: Definitions and Interpretations

- 1** *This Instrument amends National Instrument 14-101 Definitions.*
- 2** *Section 1.1(3) is amended by repealing the definition of “person or company” and substituting the following:*

 “person or company”, for the purpose of a national instrument or multilateral instrument, means,
 - (a) in British Columbia, a “person” as defined in section 1(1) of the *Securities Act* (British Columbia);
 - (b) in New Brunswick, a “person” as defined in section 1(1) of the *Securities Act* (New Brunswick);
 - (c) in Prince Edward Island, a “person” as defined in section 1 of the *Securities Act* (Prince Edward Island);
 - (d) in Québec, a “person” as defined in section 5.1 of the *Securities Act* (Québec); and
 - (e) in Yukon Territory, a “person” as defined in section 1 of the *Securities Act* (Yukon Territory).
- 3** *Appendix B is amended,*
 - (a) *in the text opposite “New Brunswick”, by striking out “Security Frauds Prevention Act” and substituting “Securities Act”, and*
 - (b) *by repealing the text opposite “Québec” and substituting the following:*

 Securities Act and the regulations under that Act, An Act respecting the Autorité des marchés financiers and the blanket rulings and orders issued by the securities regulatory authority.
- 4** *Appendix C is amended,*
 - (a) *by repealing the text opposite “New Brunswick” and substituting “New Brunswick Securities Commission”,*
 - (b) *by repealing the text opposite “Prince Edward Island” and substituting “Superintendent of Securities, Prince Edward Island”,*
 - (c) *by repealing the text opposite “Québec” and substituting “Autorité des marchés financiers or, where applicable, the Bureau de décision et de révision en valeurs mobilières”, and*
 - (d) *by repealing the text opposite “Yukon Territory” and substituting “Superintendent of Securities, Yukon Territory”.*
- 5** *Appendix D is amended,*
 - (a) *by repealing the text opposite “New Brunswick” and substituting “Executive Director as defined in section 1 of the Securities Act (New Brunswick).”,*
 - (b) *by repealing the text opposite “Prince Edward Island” and substituting “Superintendent, as defined in section 1 of the Securities Act (Prince Edward Island).”,*
 - (c) *by repealing the text opposite “Québec” and substituting “Autorité des marchés financiers.”, and*
 - (d) *by repealing the text opposite “Yukon Territory” and substituting “Superintendent, as defined in section 1 of the Securities Act (Yukon Territory).”.*
- 6** *This Instrument comes into force on March 17, 2008.*

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
12/07/2007	9	4295820 Canada Inc. - Common Shares	2,150,100.00	7,167,000.00
12/12/2007 to 12/21/2007	9	4295820 Canada Inc. - Common Shares	730,100.00	N/A
11/22/2007 to 11/26/2007	2	4421523 Canada Inc. - Common Shares	1,600,000.00	16,000,000.00
12/18/2007	3	Abitibi Mining Corp. - Common Shares	41,000.00	400,000.00
12/12/2007	15	Acceleware Corp. - Common Shares	3,000,000.15	3,614,458.00
07/30/2007	84	Acero-Martin Exploration Inc. - Units	2,344,375.00	6,698,185.00
12/11/2007	113	Adriana Resources Inc. - Common Shares	29,999,998.60	27,272,726.00
12/04/2007	15	Adroit Resources Inc. - Flow-Through Shares	1,023,550.00	N/A
07/17/2007	4	African Aura Resources Limited - Special Warrants	115,803.00	100,000.00
06/15/2007 to 06/21/2007	24	African Aura Resources Limited - Special Warrants	9,488,673.30	7,031,223.00
06/15/2007 to 06/21/2007	24	African Aura Resources Limited - Warrants	9,488,673.30	N/A
12/01/2007	8	ALL Group Financial Services Inc. - Preferred Shares	145,845.00	N/A
12/06/2007	22	Allana Resources Inc. - Common Shares	999,999.77	4,545,454.00
12/07/2007	11	Alta Natural Herbs & Supplements Ltd. - Units	243,500.00	1,623,333.00
12/05/2007	2	AMADOR GOLD CORP. - Common Shares	11,875.00	125,000.00
10/30/2007	2	Ambit Biosciences (Canada) Corporation - Preferred Shares	6,200,007.88	1,225,298.00
12/12/2007	31	Angle Energy Inc. - Common Shares	7,522,441.60	N/A
12/18/2007	40	Anglo Swiss Resources Inc. - Units	1,798,063.98	N/A
12/05/2007	2	Apex Construction Systems Inc. - Notes	189,134.50	N/A
11/30/2007	22	Arianne Resources Inc. - Units	837,500.00	6,700,000.00
11/30/2007	35	Arianne Resources Inc. - Units	1,956,909.90	13,046,066.00
12/06/2007	2	Arriva Energy Inc. - Flow-Through Shares	2,020,500.00	1,347,000.00
12/20/2007	84	Ascot Resources Ltd. - Flow-Through Shares	16,719,300.00	N/A

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
12/15/2007	14	ASG Hallstone Drewry Limited Partnership - Limited Partnership Units	1,109,000.00	1,109.00
12/17/2007	40	Associated Proteins Limited Partnership - Limited Partnership Units	10,000,000.00	1,000,000,000.00
12/12/2007	220	Athabasca Oil Sands Corp. - Flow-Through Shares	27,324,500.00	2,732,450.00
11/28/2007	150	ATW Venture Corp. - Receipts	6,870,000.00	14,000,000.00
10/10/2007	6	Augen Gold Corp. - Flow-Through Shares	400,000.00	666,665.00
12/13/2007	246	Aveiro Investment Corp. - Common Shares	5,202,290.00	2,601,145.00
12/19/2007	12	Avion Resources Corp. - Units	300,000.00	1,111,111.00
12/03/2007 to 12/05/2007	7	Bassett Media Group Inc. - Common Shares	808,000.00	1,272,251.00
12/04/2007	2	Bedlam Games Inc. - Common Shares	3,000,001.00	3,330,000.00
12/14/2007	1	BelAir Networks Inc. - Common Shares	5,500,000.00	N/A
12/14/2007	20	BelAir Networks Inc. - Preferred Shares	11,155,724.89	-1.00
12/13/2007	41	Bellamont Exploration Ltd. - Flow-Through Shares	7,248,600.00	4,444,000.00
11/30/2007	2	Birmingham Construction Limited - Preferred Shares	9,000,000.00	9,000.00
12/21/2007	1	Birch Mountain Resources Ltd. - Debentures	31,500,000.00	N/A
11/15/2007 to 11/30/2007	4	Bison Income Trust II - Units	200,129.33	20,012,933.00
12/10/2007	9	Black Goose Holdings Inc. - Units	391,250.00	60,000.00
12/21/2007	3	Brigadier Gold Limited - Units	500,000.00	5,000,000.00
12/07/2007	5	Britannica Resources Corp. - Common Shares	630,000.00	N/A
12/11/2007	33	Buchans River Ltd. - Units	3,721,190.94	N/A
12/19/2007	34	Buffalo Resources Corp. - Common Shares	3,500,001.12	2,651,516.00
12/20/2007	3	Campbell Resources Inc. - Flow-Through Shares	528,000.00	3,300,000.00
12/04/2007	1	Canadian Royalties Inc. - Common Shares	0.00	50,000.00
07/26/2006 to 10/23/2007	20	Capmor Leasing Growth Fund Limited Partnership - Units	2,436,231.70	2,247.88
08/01/2006 to 07/01/2007	5	Capmor Leasing Income Fund Limited Partnership - Units	3,150,242.60	3,109.78
12/06/2007	19	CareVest Blended Mortgage Investment Corporation - Preferred Shares	788,998.00	788,998.00
12/12/2007 to 12/20/2007	25	CareVest Blended Mortgage Investment Corporation - Preferred Shares	1,206,000.00	1,206,000.00
12/06/2007	32	CareVest First Mortgage Investment Corporation - Preferred Shares	1,459,525.00	1,459,525.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
12/12/2007 to 12/19/2007	28	CareVest First Mortgage Investment Corporation - Preferred Shares	988,529.00	988,529.00
11/23/2007	16	Cascade Resources Ltd. - Common Shares	349,000.00	3,490,000.00
08/01/2006 to 09/28/2007	5	CCMP Capital Investors II, L.P. - Limited Partnership Interest	458,909,734.00	N/A
11/15/2007	18	Cempra Pharmaceuticals Inc. - Preferred Shares	9,840,000.40	7,692,308.00
11/30/2007	1	Chrysler Lease Trust - Notes	25,629,204.74	0.00
12/14/2007	12	Cobra Venture Corporation - Flow-Through Shares	300,000.00	1,000,000.00
11/27/2007	39	Colombian Mines Corporation - Units	2,100,000.00	2,800,000.00
12/14/2007	5	Comaplex Minerals Corp. - Common Shares	5,037,492.25	400,000.00
11/30/2007	301	Condor Petroleum Inc. - Common Shares	600,000.00	3,000,000.00
12/03/2007	45	Connacher Oil and Gas Limited - Notes	690,944,299.61	N/A
12/14/2007	25	Consolidated Westview Resource Corp. - Units	1,626,873.50	1,200,000.00
12/20/2007	12	Continental Gold Limited - Common Shares	10,000,000.00	250,000.00
12/17/2007	39	Copper Mountain Mining Corporation - Common Shares	2,202,500.00	881,000.00
12/13/2007	70	CPC Diversified Growth Limited Partnership - Limited Partnership Units	2,840,000.00	284,000.00
11/01/2007	1	Creststreet Energy Hedge Fund L.P. - Limited Partnership Units	100,000.00	6,967.72
12/19/2007	1	Currie Rose Resources Inc. - Common Shares	600,000.00	2,000,000.00
12/10/2007	11	CVET Power Corp. - Common Shares	112,500.00	215,000.00
11/30/2007	3	Diamonds North Resources Ltd. - Flow-Through Shares	1,285,000.00	1,285,000.00
12/05/2007	1	Dianor Resources Inc. - Common Shares	171,000.00	150,000.00
12/19/2007	23	Diaz Resources Ltd. - Flow-Through Shares	999,999.90	3,333,333.00
11/19/2007	8	Domtar Corporation - Notes	983,183,558.00	N/A
12/19/2007	14	Donner Metals Ltd. - Warrants	3,281,499.00	N/A
12/10/2007	56	Eagle Hill Exploration Corp. - Flow-Through Shares	1,310,000.00	6,550,000.00
11/01/2007 to 12/14/2007	52	Eaglecrest Exploration Ltd. - Units	5,223,002.47	36,783,283.00
12/06/2007	20	East West Resource Corporation - Flow-Through Shares	2,635,000.10	N/A
12/13/2007	3	EdgeStone Capital Energy Fund - B L.P. - Limited Partnership Interest	1,800,000.00	N/A

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
12/13/2007	44	EdgeStone Capital Energy Fund - I, L.P. - Limited Partnership Interest	18,975,000.00	N/A
12/13/2007	74	EdgeStone Capital Energy Fund L.P. - Limited Partnership Interest	6,475,000.00	N/A
12/18/2007	2	Empire Industries Ltd. - Common Share Purchase Warrant	0.00	300,000.00
10/16/2007 to 12/14/2007	11	Energy Conversion Technologies Inc. - Common Shares	242,255.00	154,900.00
12/07/2007	9	Erdene Gold Inc - Flow-Through Shares	233,800.00	167,000.00
12/14/2007	58	Erdene Gold Inc - Flow-Through Shares	4,367,300.00	3,119,500.00
12/20/2007	1	Everett Resources Ltd. - Common Shares	34,000.00	100,000.00
12/14/2007	28	Exall Energy Corporation - Units	2,016,001.00	1,075,625.00
12/11/2007	2	Excalibur Limited Partnership - Limited Partnership Units	4,548,600.00	15.62
12/11/2007	1	Excalibur Small-Cap Opportunities LP - Limited Partnership Units	4,002,630.00	54.21
12/12/2007	37	Excelsior Energy Limited - Flow-Through Shares	7,217,600.00	11,104,000.00
12/19/2007	41	Exploration Puma Inc. - Units	4,541,523.15	2,728,056.00
12/17/2007	1	First Asset Global Bond Trust - Units	110,515,720.62	N/A
12/14/2007	52	First Calgary Petroleums Ltd. - Bonds	270,617,900.00	N/A
12/03/2007	2	First Gold Exploration Inc. - Units	200,000.00	N/A
12/12/2007	1	First Leaside Opportunities Limited Partnership - Units	81,844.27	80,778.00
12/12/2007	1	First Leaside Enterprises Limited Partnership - Units	52,179.80	51,500.00
12/06/2007 to 12/11/2007	3	First Leaside Entities Limited Partnership - Units	225,000.00	N/A
12/13/2007 to 12/18/2007	4	First Leaside Entities Limited Partnership - Units	275,000.00	275,000.00
12/13/2007 to 12/14/2007	2	First Leaside Expansion Limited Partnership - Notes	280,000.00	280,000.00
12/17/2007	1	First Leaside Fund - Trust Units	24,050.00	24,050.00
12/10/2007 to 12/11/2007	3	First Leaside Properties Fund - Trust Units	84,340.00	82,170.00
12/11/2007	1	First Leaside Properties Fund - Trust Units	19,145.00	19,145.00
12/13/2007 to 12/18/2007	4	First Leaside Properties Fund - Trust Units	211,100.00	211,100.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
12/12/2007 to 12/17/2007	3	First Leaside Properties Fund - Trust Units	324,051.00	324,051.00
12/06/2007	1	First Leaside Properties Limited Partnership - Notes	3,458.47	3,427.00
12/10/2007	1	First Leaside Select Limited Partnership - Limited Partnership Units	52,058.34	51,753.00
12/12/2007 to 12/13/2007	3	First Leaside Select Limited Partnership - Units	101,534.81	99,879.00
11/30/2007	1	First Leaside Unity Limited Partnership - Notes	15,300.00	15,300.00
12/12/2007	1	First Leaside Unity Limited Partnership - Notes	200,000.00	200,000.00
12/10/2007	1	First Leaside Visions Limited Partnership - Limited Partnership Units	50,000.00	50,000.00
12/13/2007 to 12/14/2007	4	First Leaside Visions Limited Partnership - Units	200,000.00	200,000.00
12/12/2007 to 12/13/2007	6	First Leaside Wealth Management Inc. - Preferred Shares	600,000.00	600,000.00
12/14/2007	1	First Uranium Corporation - Common Shares	42,987,063.00	6,141,009.00
12/14/2007	4	Firsthand Technologies Inc. - Notes	6,974,519.00	N/A
12/14/2007	3	Fortiva Inc. - Notes	3,030,943.78	N/A
12/04/2007	64	Galore Resources Inc. - Units	3,507,166.78	7,383,509.00
12/12/2007	8	Garrison International Ltd. - Common Shares	230,000.00	N/A
12/14/2007	23	Gastem Inc. - Flow-Through Shares	1,004,500.00	N/A
05/01/2007	1	Gauthier Palos Global Macro Fund L.P. - Units	75,000.00	7,747.40
12/03/2007 to 12/07/2007	29	General Motors Acceptance Corporation of Canada, Limited - Notes	8,000,118.13	8,000,118.13
12/10/2007 to 12/14/2007	149	General Motors Acceptance Corporation of Canada, Limited - Notes	5,516,071.56	5,516,071.56
12/11/2007	12	GLG Life Tech Corporation - Units	34,500,000.00	11,500,000.00
11/16/2007	4	Global Hunter Corp. - Units	1,500,000.00	3,333,332.00
11/25/2007 to 12/04/2007	6	Global Trader Europe Limited - Contracts for Differences	43,664.00	32,119.00
12/05/2007 to 12/14/2007	5	Global Trader Europe Limited - Contracts for Differences	16,527.50	19,195.00
12/14/2007	29	Gold Canyon Resources Inc. - Units	3,000,000.00	6,000,000.00
12/05/2007	5	Golden Chalice Resources Inc. - Common Shares	101,000.00	250,000.00
12/14/2007	5	Golden Goose Resources Inc. - Common Shares	1,500,000.00	1,875,000.00
12/13/2007	49	Golden Sunset Trail Inc. - Common Shares	1,123,855.50	N/A

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
12/11/2007	1	Goldman Sachs Japan Small Cap Portfolio - Common Shares	34,529,151.96	15,881.85
12/19/2007	3	Goldwright Explorations Inc. - Flow-Through Shares	133,500.00	890,001.00
11/07/2007	108	Grand Power Logistics Group Inc. - Common Shares	3,500,000.00	7,000,000.00
12/07/2007	22	Greenfield Resources Ltd. - Flow-Through Shares	1,903,698.00	528,805.00
12/07/2007 to 12/12/2007	47	Greentree Gas & Oil Ltd. - Flow-Through Shares	718,674.00	N/A
12/12/2007	2	GridIron Software Inc. - Debentures	447,777.00	2.00
12/06/2007	2	Hansen Transmission International NV - Common Shares	7,548,450.00	2,100,000.00
12/05/2007	3	Hinterland Metals Inc. - Common Shares	13,500.00	100,000.00
12/05/2007	4	Hinterland Metals Inc. - Flow-Through Shares	118,500.00	1,991,000.00
12/05/2007	13	Hinterland Metals Inc. - Units	358,380.00	790,000.00
12/14/2007	4	HMZ Metals Inc. - Units	105,000.00	5,600,000.00
12/21/2007	18	Holcim Finance (Canada) Inc. - Notes	299,583,000.00	N/A
11/28/2007 to 11/30/2007	4	Human Resource Systems Group Ltd. - Preferred Shares	55,000.00	N/A
12/10/2007 to 12/14/2007	12	IGW Real Estate Investment Trust - Trust Units	6,234,866.38	5,953,598.00
12/06/2007	1	Image Sensing Systems Inc. - Common Shares	2,500,000.00	147,202.00
12/07/2007	26	ImmunoVaccine Technologies Inc. - Common Shares	637,641.00	637,641.00
12/06/2007	5	Innergex Renewable Energy Inc. - Common Shares	122,132,989.00	11,102,999.00
12/12/2007	2	International Montoro Resources Inc. - Common Shares	40,000.00	100,000.00
12/20/2007	338	Iron-Gate Acquisitions Limited Partnership - Units	17,900,000.00	N/A
11/28/2007	10	Irontree Oilfield Services Corp. - Debentures	860,782.60	10.00
12/20/2007	14	Irontree Oilfield Services Corp. - Preferred Shares	6,202,768.60	2,071,733.00
12/12/2007	22	Joslyn Energy Development Incorporated - Common Shares	982,999.50	1,310,666.00
11/27/2007	27	Journey Resources Corp. - Units	842,500.00	N/A
11/08/2007	49	Kakanda Resources Corp. - Units	3,200,000.10	6,666,667.00
11/27/2007	32	Keegan Resources Inc. - Units	13,530,000.00	3,300,000.00
11/05/2007	32	Kenrich Eskay Mining Corp. - Common Shares	5,008,918.20	8,348,197.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
11/30/2007	1	Kingwest Avenue Portfolio - Units	181,141.00	5,684.05
11/30/2007	1	Kingwest Canadian Equity Portfolio - Units	73,083.00	5,889.75
12/05/2007	5	Klondike Gold Corp. - Common Shares	90,000.00	200,000.00
12/07/2007	1	Kraft Foods Inc. - Notes	60,936,000.00	N/A
12/18/2007	2	Lake Shore Gold Corp. - Common Shares	2,499,999.00	1,655,629.00
12/11/2007	2	Largesse Flow Through 2007 LP - Units	625,000.00	6,250.00
12/20/2007	2	Largesse Flow Through 2007 LP - Units	225,000.00	2,250.00
01/15/2001 to 11/13/2003	67	Locate Technologies Inc. - Common Shares	978,900.00	1,957,800.00
12/14/2007 to 12/19/2007	17	Logan Resources Ltd. - Flow-Through Shares	3,235,000.00	N/A
12/19/2007	137	Luna Gold Corp. - Common Shares	9,770,000.00	9,770,000.00
12/06/2007	1	Maestro Ventures Ltd. - Common Shares	12,000.00	75,000.00
12/14/2007	9	Mainstream Minerals Corporation - Units	1,000,000.00	2,308,952.00
12/04/2007	16	Mantle Resources Inc. - Common Shares	3,383,500.00	2,170,000.00
10/24/2007	39	Maximus Ventures Ltd. - Units	3,199,999.80	10,666,666.00
12/10/2007	26	MBMI Resources Inc. - Units	9,525,749.70	8,283,261.00
12/03/2007	1	MCAN Performance Strategies - Limited Partnership Units	1,580,000.00	N/A
12/14/2007	180	MDC North American Real Estate Fund 1 - Units	38,468,380.00	3,241,838.00
12/03/2007	1	Meridian Diversified ERISA Fund, Ltd. - Common Shares	157,958.00	1,579.58
11/30/2007	4	Molycor Gold Corp. - Units	600,000.00	2,608,696.00
11/06/2007 to 11/08/2007	2	Nechake Minerals Corp. - Common Shares	150,000.00	750,000.00
11/25/2007 to 12/16/2007	35	Nelson Financial Group Ltd. - Notes	2,154,698.90	35.00
11/29/2007	1	New Mountain Partners III, L.P. - Limited Partnership Interest	198,580,000.00	N/A
12/17/2007	1	New Solutions Financial (II) Corporation - Debentures	25,000.00	1.00
12/14/2007	14	Newmac Resources Inc. - Flow-Through Shares	2,500,000.00	2,666,664.00
12/05/2007 to 12/12/2007	9	Newport Canadian Equity Fund - Units	250,600.00	1,555.75
12/18/2007	2	Newport Diversified Hedge Fund - Units	256,377.34	2,051.56
12/11/2007	1	Newport Fixed Income Fund - Units	11,199.29	110.08

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
12/05/2007 to 12/12/2007	4	Newport Global Equity Fund - Units	139,000.00	1,663.38
12/05/2007 to 12/13/2007	13	Newport Yield Fund - Units	613,311.17	4,988.73
12/06/2007	3	NewStep Networks Inc. - Debentures	445,570.38	N/A
12/06/2007	1	NIR Diagnostics Inc. - Debentures	2,200,000.00	N/A
12/20/2007	72	Nordic Oil and Gas Ltd. - Units	1,642,889.70	5,476,299.00
11/29/2007	68	Nova Uranium Corporation - Flow-Through Shares	2,055,350.00	N/A
12/04/2007	1	OCP Senior Credit Partners LP - Limited Partnership Interest	20,244,000.00	N/A
12/07/2007	22	Ondine Biopharma Corporation - Units	6,968,700.00	6,335,182.00
12/13/2007	80	Opel International Inc. - Units	22,500,000.00	15,000,000.00
12/06/2007	33	Paragon Minerals Corporation - Flow-Through Shares	3,758,850.00	2,785,000.00
12/05/2007	10	PBS Coals Corporation - Common Shares	82,500,000.00	825,000,000.00
12/14/2007	16	PCAS Patient Care Automation Services Inc. - Common Shares	528,600.00	2,612,500.00
11/19/2007	1	PCM Absolute Return Fund - Units	40,271,184.59	N/A
12/19/2007	7	Pebble Creek Mining Ltd. - Units	2,108,000.00	N/A
12/21/2007	3	Pele Mountain Resources Inc. - Units	1,868,150.00	N/A
12/05/2007	1	Penn Virginia Corporation - Notes	1,013,100.00	N/A
12/07/2007	26	Peregrine Diamonds Ltd. - Common Shares	4,323,071.50	N/A
12/21/2007	1	Peregrine Diamonds Ltd. - Common Shares	110,000.00	N/A
12/05/2007	32	Pitchstone Exploration Ltd. - Flow-Through Shares	3,125,420.00	1,008,200.00
12/12/2007	22	Plato Gold Corp - Units	1,020,800.00	9,280,000.00
11/30/2007	6	Prestigious Capital Ltd. - Bonds	110,000.00	1,100.00
11/30/2007	11	Prestigious Properties Four Limited Partnership - Limited Partnership Units	478,500.00	2,066.00
12/13/2007	46	ProspEx Resources Ltd. - Flow-Through Shares	8,029,000.00	2,170,000.00
12/13/2007	8	Provis Endoscopy Services Inc. - Units	674,982.00	N/A
12/12/2007	15	Questerre Energy Corporation - Common Shares	1,000,000.00	1,000,000.00
12/06/2007	2	Questerre Energy Corporation - Flow-Through Shares	2,000,000.00	2,500,000.00
10/31/2007	5	Quia Resources Inc. - Common Shares	100,000.00	2,000,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
11/08/2007 to 12/05/2007	37	Quia Resources Inc. - Units	203,000.00	2,030,000.00
12/04/2007	1	Randgold Resources Limited - American Depository Shares	1,602,747.00	N/A
12/06/2007	3	Real Equity Limited Partnership 1 - Limited Partnership Units	510,000.00	510.00
12/07/2007	22	Red Mile Resources Fund No. 4 Limited Partnership - Limited Partnership Units	12,865,320.00	10,996.00
12/05/2007	17	Renegade Oil & Gas Ltd. - Flow-Through Shares	1,273,499.50	727,714.00
12/05/2007	1	ResponseTek Networks Corp. - Notes	1,515,600.00	N/A
12/05/2007 to 12/13/2007	9	Reunion Gold Corporation - Warrants	0.00	974,500.00
12/13/2007	61	Rockhaven Resources Ltd. - Units	4,800,000.00	3,000,000.00
11/29/2007	8	Rockwell Diamonds Inc. - Common Shares	6,121,957.14	7,848,663.00
12/06/2007	1	Rockwood-LaSalle Limited Partnership - Loans	25,000.00	N/A
12/05/2007	1	Rockwood-LaSalle Limited Partnership - Units	25,000.00	N/A
12/20/2007	29	Rocor Resources Inc. - Common Shares	11,217,650.00	N/A
12/18/2007	15	Rossland Resources Inc. - Units	1,050,000.00	3,250,000.00
12/05/2007	9	Roxgold Inc. - Flow-Through Units	1,720,000.00	4,000,000.00
11/16/2007 to 12/03/2007	2	Royal Nickel Corporation - Flow-Through Shares	199,998.00	N/A
12/14/2007	120	RPFL- Kensington Private Equity Limited Partnership IV - Limited Partnership Units	24,400,000.00	488.00
12/14/2007	60	RPFL-Kensington International Private Equity Limited Partnership I - Limited Partnership Units	15,100,000.00	302.00
12/18/2007 to 12/19/2007	58	Santoy Resources Ltd. - Common Shares	5,539,345.00	8,522,069.00
12/07/2007 to 12/14/2007	3	Sextant Strategic Opportunities Hedge Fund LP - Units	246,940.00	N/A
11/30/2007	4	Sextant Strategic Opportunities Hedge Fund LP - Units	1,109,000.00	N/A
12/21/2007	4	Sheltered Oak Resources Inc. - Flow-Through Shares	30,000.00	30,000.00
11/12/2007	1	Silica Resources Corporation - Units	265,000.00	1,000,000.00
11/20/2007	67	Silver Fields Resources Inc. - Non-Flow Through Units	1,120,900.00	N/A
12/14/2007	30	Silver Shield Resources Inc. - Units	2,825,494.00	N/A
12/12/2007	1	Skyharbour Resources Ltd. - Common Shares	6,500.00	50,000.00
12/19/2007	14	Solace Systems, Inc. - Preferred Shares	11,169,303.00	11,169,303.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
12/10/2007	1	SPX Corporation - Notes	1,010,300.00	1,000.00
12/05/2007	7	Statesman Resources Ltd. - Units	2,130,100.00	7,100,334.00
12/14/2007	17	Stratabound Minerals Corp. - Common Shares	1,806,079.75	N/A
12/17/2007	18	Stroud Resources Ltd. - Units	687,750.00	5,050,000.00
12/18/2007	13	Sultan Minerals Inc. - Units	1,331,050.00	3,803,000.00
12/12/2007	73	Sunshine Oilsands Ltd. - Units	23,367,755.00	6,211,525.00
12/05/2007	4	Takara Resources Inc. - Common Shares	90,000.00	460,000.00
11/30/2007	32	TD Capital Global Private Equity Investors (Canada) III, LP - Limited Partnership Units	40,532,400.00	4,050.00
12/20/2007	2	The DCP 2007 Limited Partnership - Units	525,000.00	N/A
11/26/2007	1	The Last Waltz Limited Partnership - Units	1,000.00	1,000.00
11/27/2007	1	The Toronto United Church Council - Notes	400,000.00	400,000.00
12/06/2007	11	Toba Industries Ltd. - Units	266,625.00	1,975,000.00
12/07/2007	5	Tom Exploration Inc. - Units	12,250.00	N/A
12/06/2007 to 12/14/2007	5	Trade Winds Ventures Inc. - Units	3,010,000.00	N/A
12/11/2007	35	Transgaming Inc. - Common Shares	1,151,000.40	N/A
11/20/2007	1	Trez Capital Corporation - Units	300,000.00	N/A
11/20/2007	1	Trez Capital Corporation - Units	436,461.80	N/A
11/14/2007 to 11/20/2007	2	Trez Capital Corporation - Units	695,961.58	N/A
11/20/2007	1	Trez Capital Corporation - Units	302,948.04	N/A
11/26/2007 to 11/28/2007	81	Trivello Energy Corp. - Units	545,812.69	N/A
12/20/2007	13	TUSK Energy Corporation - Flow-Through Shares	1,539,000.00	1,562,500.00
12/13/2007	21	Tyhee Development Corp. - Flow-Through Shares	7,499,948.25	9,999,931.00
12/11/2007	23	Universal Power Corp. - Units	720,000.00	1,800,000.00
11/27/2007	52	Universal Power Corp. - Units	5,260,000.00	N/A
12/05/2007	72	U.S. Silver Corporation - Units	24,470,000.00	24,470,000.00
12/03/2007	15	Vane Minerals PLC - Common Shares	12,916,874.41	34,714,285.00
12/13/2007	9	Vantex Resources Ltd. - Units	566,499.96	N/A
12/13/2007	10	Vantex Resources Ltd. - Units	522,924.90	N/A
11/30/2007	115	Vertex Fund - Trust Units	7,834,162.05	N/A

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
11/30/2007	186	Vinequest Wine Partners Limited Partnership - Units	4,650,000.00	186.00
12/07/2007	51	Vinequest Wine Partners Limited Partnership - Units	1,550,000.00	66.00
12/21/2007	23	Vinequest Wine Partners Limited Partnership - Units	675,000.00	27.00
11/27/2007	2	VoIPShield Systems Inc. - N/A	2,400,816.99	0.00
12/04/2007	6	VSS Communications Parallel Partners IV, L.P. - Limited Partnership Interest	26,148,913.00	N/A
11/29/2007	36	Walton AZ Picacho View 1 Investment Corporation - Common Shares	1,363,160.00	136,316.00
12/07/2007	143	Walton AZ Picacho View 2 Investment Corporation - Common Shares	4,198,470.00	419,847.00
11/29/2007	4	Walton AZ Picacho View Limited Partnership 1 - Units	1,512,176.55	152,207.00
12/07/2007	65	Walton AZ Picacho View Limited Partnership 2 - Limited Partnership Units	6,271,075.69	619,794.00
12/07/2007	158	Walton AZ Sunland View Investment Corporation - Units	3,427,710.00	344,121.00
12/07/2007	54	Walton AZ Sunland View Limited Partnership - Units	6,019,435.30	595,068.00
11/29/2007	28	Walton International Group Inc. - Notes	2,270,000.00	N/A
10/05/2007	1	Warburg Pincus Private Equity X, L.P. - Limited Partnership Interest	7,844,800.00	1.00
12/07/2007	20	Welton Energy Corporation - Common Shares	1,528,231.32	2,247,399.00
10/09/2007	1	West Timmins Mining Inc. - Common Shares	20,000.00	100,000.00
11/21/2007	1	West Timmins Mining Inc. - Common Shares	3,150.00	15,000.00
12/05/2007	1	West Timmins Mining Inc. - Common Shares	15,000.00	30,000.00
11/30/2007	2	Westboro Mortgage Investment Corp. - Preferred Shares	80,000.00	8,000.00
11/30/2007	5	Westcan Uranium Corp. - Units	524,050.00	4,031,152.00
12/07/2007	11	Western Canadian Coal Corp. - Debentures	10,000,000.00	N/A
12/05/2007	1	Wi2Wi Corporation - Notes	40,000.00	N/A
12/10/2007	1	Wimberly Apartments Limited Partnership - Units	78,087.31	110,899.00
12/12/2007	2	Wimberly Apartments Limited Partnership - Units	189,750.06	267,540.00
12/13/2007	39	WSR Gold Inc. - Flow-Through Shares	3,418,500.00	5,925,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Bank of Montreal
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Shelf Prospectus dated December 20, 2007
Mutual Reliance Review System Receipt dated December 20, 2007

Offering Price and Description:

\$6,000,000,000.00 Debt Securities (subordinated indebtedness)
Common Shares
Class A Preferred Shares
Class B Preferred Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1200298

Issuer Name:

BluMont Augen Limited Partnership 2008
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 19, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

Maximum Offering: \$40,000,000.00 (4,000,000 Units)
Minimum Offering: \$5,000,000.00 (500,000 Units)

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Berkshire Securities Inc.
Dundee Securities Corporation
TD Securities Inc.
Blackmont Capital Inc.
Queensbury Securities Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Burgeonvest Securities Ltd.
Desjardins Securities Inc.
Industrial Alliance Securities Inc.
Richardson Partners Financial Ltd.
Sora Group Wealth Advisors Inc.
Wellington West Capital Inc.

Promoter(s):

Blumont Augen General Partner 2008 Inc.
Blumont Capital Corporation

Project #1200858

Issuer Name:

Brass Capital Corp.
Principal Regulator – Alberta

Type and Date:

Preliminary CPC Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 31, 2007

Offering Price and Description:

\$200,000.00
1,000,000 common shares
Price: \$0.20 per common share

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Promoter(s):

Gregory R. Harris and Richard Boxer
Project #1201462

Issuer Name:

Brompton 2008 Flow-Through LP
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 19, 2007
Mutual Reliance Review System Receipt dated December 20, 2007

Offering Price and Description:

\$50,000,000.00 (Maximum Offering)
2,000,000 Limited Partnership Units
Price: \$25.00 Per Unit
Minimum Purchase: 200 Units

Underwriter(s) or Distributor(s):

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

Promoter(s):

Brompton Flow-Through Management Limited
Brompton Funds Management Limited

Project #1200247

Issuer Name:

CGF Resource 2008 Flow Through Limited Partnership
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated December 20, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

\$50,000,000.00 (maximum) (2,000,000 Limited Partnership Units)

\$8,000,000.00 (minimum) (320,000 Limited Partnership Units)

Price per Unit: \$25.00

Minimum Subscription: \$5,000.00 (200 Units)

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

TD Securities Inc.

National Bank Financial Inc.

Scotia Capital Inc.

Desjardins Securities Inc.

HSBC Securities (Canada) Inc.

Canaccord Capital Corporation

Blackmont Capital Inc.

Dundee Securities Corporation

Raymond James Ltd.

Research Capital Corporation

Wellington West Capital Inc.

Bieber Securities Inc.

GMP Securities L.P.

MGI Securities Inc.

Richardson Partners Financial Limited

Promoter(s):

CGF 2008 FT Management Ltd.

CGF Resource FT Funds Management Ltd.

Project #1200991

Issuer Name:

Colombian Mines Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary Long Form Prospectus dated December 21, 2007

Mutual Reliance Review System Receipt dated December 24, 2007

Offering Price and Description:

\$1,000,000.00 - 1,000,000 Common Shares

\$1.00 per share

Underwriter(s) or Distributor(s):

Integral Wealth Securities Limited

Promoter(s):

Nathan A. Tewalt

Project #1201636

Issuer Name:

Colossus Minerals Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 27, 2007

Offering Price and Description:

\$* - * Units

Price: \$ * per Unit

Underwriter(s) or Distributor(s):

GMP Securities L.P.

Macquarie Capital Markets Canada Inc.

Blackmont Capital Inc.

Evergreen Capital Partners Inc.

Promoter(s):

Ari Sussman

Project #1201328

Issuer Name:

Connor, Clark & Lunn 2008 Flow-Through Limited Partnership

Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 17, 2007

Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

Maximum Offering: \$50,000,000.00 (2,000,000 Units)

Price: \$25.00 per Unit

Minimum Purchase: \$5,000.00 (200) Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

RBC Dominion Securities Inc.

Richardson Partners Financial Limited

Scotia Capital Inc.

National Bank Financial Inc.

TD Securities Inc.

Canaccord Capital Corporation

Dundee Securities Corporation

GMP Securities L.P.

Raymond James Ltd.

Wellington West Capital Inc.

Berkshire Securities Inc.

HSBC Securities (Canada) Inc.

Promoter(s):

Connor, Clark & Lunn Capital Markets Inc.

Connor, Clark & Lunn 2008 Flow-Through Management Corp.

Project #1200699

Issuer Name:

Consonus Technologies, Inc.
Principal Regulator - Ontario

Type and Date:

Fourth Amended and Restated Preliminary PREP
Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 24, 2007

Offering Price and Description:

\$ * - 6,000,000.00 Common Shares

Price: \$ * per Common Share

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Promoter(s):

-

Project #1096495

Issuer Name:

Creststreet 2008 Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 27, 2007

Offering Price and Description:

\$50,000,000.00 (Maximum Offering)

\$5,000,000.00 (Minimum Offering)

A maximum of 5,000,000 and a minimum of 500,000

Limited Partnership Units

ISSUE PRICE: \$10.00 Per Unit

MINIMUM PURCHASE: 250 Units

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

National Bank Financial Inc.

TD Securities Inc.

HSBC Securities (Canada) Inc.

Canaccord Capital Corporation

GMP Securities L.P.

Peters & Co. Limited

Raymond James Ltd.

Macquarie Capital Markets Canada Ltd.

Tristone Capital Inc.

Promoter(s):

Creststreet 2008 General Partner Limited

Creststreet Asset Management Limited

Project #1202130

Issuer Name:

C.A. Bancorp Canadian Realty Finance Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 24, 2007

Offering Price and Description:

Maximum: \$90,000,000.00 (3,600,000 Preferred Shares, Series 1)

Price: \$25.00 per Preferred Share

Minimum Purchase: \$2,500.00 (100 Preferred Shares)

Underwriter(s) or Distributor(s):

TD Securities Inc.

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Scotia Capital Inc.

Canaccord Capital Corporation

HSBC Securities (Canada) Inc.

Raymond James Ltd.

Blackmont Capital Inc.

Dundee Securities Corporation

Wellington West Capital Inc.

Desjardins Securities Inc.

GMP Securities L.P.

Research Capital Corporation

Richardson Partners Financial Limited

Promoter(s):

C.A. Bancorp Inc.

Project #1201660

Issuer Name:

Davie Yards Inc.

Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated December 20, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

\$ * - * Units

Price: \$ * per Unit

Underwriter(s) or Distributor(s):

Dundee Securities Corporation

Promoter(s):

-

Project #1200696

Issuer Name:

Dundee Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 24, 2007

Offering Price and Description:

\$125,000,000.00 - 6.0% Convertible Unsecured
Subordinated Debentures due December 31, 2014

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Berkshire Securities Inc.
Canaccord Capital Corporation
Raymond James Ltd.
GMP Securities L.P.
IPC Securities Corporation
Jory Capital Inc.
Wellington West Capital Inc.

Promoter(s):

FAIRCOURT NOVADX HOLDINGS CORP.

Project #1201321

Issuer Name:

DynamicEdge Balanced Class Portfolio
DynamicEdge Balanced Growth Class Portfolio
DynamicEdge Balanced Growth Portfolio
DynamicEdge Balanced Portfolio
DynamicEdge Equity Class Portfolio
DynamicEdge Equity Portfolio
DynamicEdge Growth Class Portfolio
DynamicEdge Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated December 21, 2007
Mutual Reliance Review System Receipt dated December 24, 2007

Offering Price and Description:

Series A, F, T, I, IT, FT and O Securities

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.

Promoter(s):

Goodman & Company, Investment Counsel Ltd.

Project #1201010

Issuer Name:

Excelsior Mining Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 27, 2007

Offering Price and Description:

\$600,000.00 - 6,000,000 Common Shares
Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Leede Financial Markets Inc.

Promoter(s):

Mark Morabito
Ian Smith
Project #1162893

Issuer Name:

Faircourt CSCRF 2008 No. 1 Limited Partnership
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated December 20, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

\$25,000,000.00 (MAXIMUM OFFERING)
2,500,000 LIMITED PARTNERSHIP UNITS
Subscription Price: \$10.00 per Unit
Minimum Subscription: 250 Units (\$2,500)

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Berkshire Securities Inc.
Canaccord Capital Corporation
Raymond James Ltd.
GMP Securities L.P.
IPC Securities Corporation
Jory Capital Inc.
Wellington West Capital Inc.

Promoter(s):

Faircourt NovaDX Holdings Corp.

Project #1201280

Issuer Name:

Front Street Flow-Through 2008-I Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 18, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

\$200,000,000.00 (Maximum Offering - 8,000,000 Units)
\$25.00 per Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

Front Street Capital Management General Partner VI Corp.
Project #1200780

Issuer Name:

frontierAlt 2008 Precious Metals & Energy Flow-Through
Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 19, 2007
Mutual Reliance Review System Receipt dated December 20, 2007

Offering Price and Description:

Maximum Offering: \$40,000,000.00 (1,600,000 Units)
Minimum Offering: \$5,000,000.00 (200,000 Units)
Subscription Price: \$25.00 per Unit
Minimum Subscription: \$2,500

Underwriter(s) or Distributor(s):

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

Promoter(s):

FrontierAlt 2008 Precious Metals & Energy Inc.
FrontierAlt Capital Corporation
Project #1200290

Issuer Name:

Galena International Resources Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 28, 2007

Offering Price and Description:

\$1,500,000.00 - 7,500,000 Common Shares
Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

PI Financial Corp.

Promoter(s):

Randy C. Turner
Project #1202885

Issuer Name:

GGOF 2008-I Mining Flow-Through Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 18, 2007
Mutual Reliance Review System Receipt dated December 20, 2007

Offering Price and Description:

Maximum: \$50,000,000.00 (2,000,000 Units)
Minimum: \$10,000,000.00 (400,000 Units)
\$25.00 per Unit

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Richardson Partners Financial Limited
Blackmont Capital Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Genuity Capital Markets

Promoter(s):

GGOF 2008-I Mining Flow-Through Corporation
Guardian Group of Funds Ltd.
Project #1200353

Issuer Name:

Global Key Investment Limited
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

\$200,000.00
2,000,000 Common Shares

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Raymond James Ltd.

Promoter(s):

Steve Loo

Project #1201732

Issuer Name:

Golden Star Resources Ltd.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

Up to 32,772,513 Common Shares
Issuable upon the Exercise of the
US\$125,000,000.00 Aggregate Principal Amount of
4.0% Convertible Senior Unsecured Debentures due
November 30, 2012

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
UBS Securities Canada Inc.

Promoter(s):

-

Project #1201103

Issuer Name:

InterRent Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

\$25,000,000.00 5 Year 7.0% Series A Convertible
Redeemable Unsecured
Subordinated Debentures, due January 31, 2013
Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
National Bank Financial Inc.
Blackmont Capital Inc.
Dundee Securities Corporation
Desjardins Securities Inc.

Promoter(s):

InterRent International Properties Inc.

Project #1201180

Issuer Name:

Jov Diversified Flow-Through 2008 Limited Partnership
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

\$40,000,000.00 (Maximum)
1,600,000 Limited Partnership Units
Price per Unit: \$25.00
Minimum Purchase: \$5,000.00 (200 Units)

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
IPC Securities Corporation
Sanders Wealth Management Group Ltd.
Wellington West Capital Inc.
Berkshire Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Argosy Securities Inc.
Burgeonvest Securities Limited
HSBC Securities (Canada) Inc.
MGI Securities Inc.
Richardson Partners Financial Limited

Promoter(s):

Jov Flow-Through Holdings Corp.

Project #1201678

Issuer Name:

Lander Energy Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated December 18, 2007
Mutual Reliance Review System Receipt dated December 19, 2007

Offering Price and Description:

\$200,000.00/1,000,000 Common Shares
PRICE: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Promoter(s):

David Wood

Project #1199754

Issuer Name:

Medmira Inc.

Principal Regulator - Nova Scotia

Type and Date:

Preliminary Short Form Prospectus dated December 28, 2007

Mutual Reliance Review System Receipt dated December 31, 2007

Offering Price and Description:

Up to \$10,000,000.00 of Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1202647

Issuer Name:

MRF 2008 Resource Limited Partnership

Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 20, 2007

Mutual Reliance Review System Receipt dated December 20, 2007

Offering Price and Description:

\$100,000,000.00 (maximum)

(maximum – 4,000,000 Units)

\$10,000,000.00 (minimum)

(minimum – 400,000 Units)

Price: \$25.00 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Scotia Capital Inc.

TD Securities Inc.

Berkshire Securities Inc.

Canaccord Capital Corporation

Dundee Securities Corporation

HSBC Securities (Canada) Inc.

Raymond James Ltd.

Wellington West Capital Inc.

Blackmont Capital Inc.

Middlefield Capital Corporation

Desjardins Securities Inc.

Research Capital Corporation

Promoter(s):

Middlefield Fund Management Limited

Middlefield Group Limited

Project #1200432

Issuer Name:

MSP 2008 Resource Limited Partnership

Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated December 21, 2007

Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

Maximum: \$50,000,000.00 (2,000,000 Units)

Minimum: \$10,000,000.00 (400,000 Units)

SUBSCRIPTION PRICE: \$25.00 MINIMUM PURCHASE: \$5,000 (200 Units)

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Scotia Capital Inc.

TD Securities Inc.

HSBC Securities (Canada) Inc.

Canaccord Capital Corporation

Dundee Securities Corporation

Raymond James Ltd.

Berkshire Securities Inc.

Blackmont Capital Inc.

IPC Securities Corporation

Richardson Partners Financial Limited

Wellington West Capital Inc.

Promoter(s):

MSP 2008 GP Inc.

Mackenzie Financial Corporation

Project #1200989

Issuer Name:

National Bank of Canada

Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated December 17, 2007

Mutual Reliance Review System Receipt dated December 18, 2007

Offering Price and Description:

\$ * - * Trust Capital Securities— Series 1

(NBC CapS II™ — Series 1)

Price: \$1,000 per NBC CapS II - Series I

Underwriter(s) or Distributor(s):

National Bank Financial Inc.

-

Promoter(s):

-

Project #1198598

Issuer Name:

NBC Asset Trust
Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated December 17, 2007
Mutual Reliance Review System Receipt dated December 18, 2007

Offering Price and Description:

\$ * - * Trust Capital Securities— Series 1
(NBC CapS II™ — Series 1)
Price: \$1,000 per NBC CapS II - Series I

Underwriter(s) or Distributor(s):

National Bank Financial Inc.

Promoter(s):

-

Project #1198589

Issuer Name:

NCE Diversified Flow-Through (08) Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 19, 2007
Mutual Reliance Review System Receipt dated December 20, 2007

Offering Price and Description:

\$200,000,000.00
(Maximum Offering)
\$25,000,000.00
(Minimum Offering)
A maximum of 8,000,000 and a minimum of 1,000,000 Limited Partnership Units
Subscription Price: \$25.00 per Unit
Minimum Subscription: 200 Units

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Dundee Securities Corporation
GMP Securities L.P.
Berkshire Securities Inc.
Blackmont Capital Inc.
Jory Capital Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
Desjardins Securities Inc.
IPC Securities Corporation
Laurentian Bank Securities Inc.
Research Capital Corporation

Promoter(s):

Petro Asset Inc.

Project #1200331

Issuer Name:

Norsemont Mining Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated December 19, 2007
Mutual Reliance Review System Receipt dated December 20, 2007

Offering Price and Description:

6,210,000 Common Shares and 3,105,000 Share Purchase Warrants

Issuable on Exercise of 6,210,000 Special Warrants
\$18,009,000.00

Price: \$2.90 per Special Warrant

Underwriter(s) or Distributor(s):

Paradigm Capital Inc.
Salman Partners Inc.
Blackmont Capital Inc.
Haywood Securities Inc.

Promoter(s):

-

Project #1200489

Issuer Name:

PANORAMA RESOURCES LTD.
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated December 18, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

Minimum offering: 1,600,000 Shares
Maximum offering: 2,500,000 Shares
\$0.25 per Share

Underwriter(s) or Distributor(s):

Research Capital Corporation

Promoter(s):

David Patterson

Project #1201478

Issuer Name:

Pathway Quebec Mining 2008 Flow-Through Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 14, 2007
Mutual Reliance Review System Receipt dated December 18, 2007

Offering Price and Description:

\$20,000,000.00 (Maximum Offering)/ \$3,000,000.00 (Minimum Offering)
A Maximum of 2,000,000 and Minimum of 300,000 Limited Partnership Units
Minimum Subscription: 250 Units/Subscription Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

Wellington West Capital Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Canaccord Capital Corporation
Research Capital Corporation
Industrial Alliance Securities Inc.
Laurentian Bank Securities Inc.

Promoter(s):

Pathway Quebec Mining 2008 Inc.
Project #1198987

Issuer Name:

Qwest Energy 2008 Flow-Through Limited Partnership
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated December 20, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

Maximum Offering: \$30,000,000.00 (1,200,000 Units)
Minimum Offering: \$5,000,000.00 (200,000 Units)
Price: \$25.00 per Unit

Minimum Purchase: 200 Units

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Bershire Securities Inc.
Canaccord Capital Corporation
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Wellington West Capital Inc.

Promoter(s):

Qwest Investment Management Corp.
Project #1201310

Issuer Name:

Rivera Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated December 19, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

\$700,000.00 to \$200,000.00
7,000,000 to 7,000,000 Common Shares
Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Northern Securities Inc.

Promoter(s):

Jonn R. Kunickey
Project #1200043

Issuer Name:

Sukari Ventures Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated December 18, 2007
Mutual Reliance Review System Receipt dated December 18, 2007

Offering Price and Description:

\$200,000.00
2,000,000 Common Shares
Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Bolder Investment Partners, Ltd.

Promoter(s):

Steve Smith
Project #1193782

Issuer Name:

Syracuse Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated December 20, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

\$300,000.00 - 2,000,000 Common Shares
Price: \$0.15 per Common Share

Underwriter(s) or Distributor(s):

PI Financial Corp.

Promoter(s):

Steve Bajic
Project #1201079

Issuer Name:

Tahera Diamond Corporation (formerly Tahera Corporation)

Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Short Form Prospectus dated December 17, 2007

Mutual Reliance Review System Receipt dated December 18, 2007

Offering Price and Description:

Maximum Offering: \$45,500,000.00 or 700,000,000 Units

Minimum Offering: \$40,000,000.00 or 615,384,615 Units

Price: \$0.065 per Unit

Underwriter(s) or Distributor(s):

GMP Securities L.P.

Promoter(s):

-

Project #1183690

Issuer Name:

The Consumers' Waterheater Operating Trust

Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Shelf Prospectus dated December 21, 2007

Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

\$650,000,000.00

Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1201149

Issuer Name:

Tova Ventures Inc.

Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated December 20, 2007

Mutual Reliance Review System Receipt dated December 27, 2007

Offering Price and Description:

\$200,000.00 - 2,000,000 Common Shares at \$010 per Common Share

Underwriter(s) or Distributor(s):

Bolder Investments Partners Ltd.

Promoter(s):

Alan Friedman

Rael Diamond

David Schmidt

Darren Holden

Project #1200816

Issuer Name:

Transformative Ventures Ltd.

Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated December 20, 2007

Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

\$700,000.00 - 7,000,000 Common Shares

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

James Beesley

Project #1200783

Issuer Name:

YIELDPLUS Income Fund

Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 20, 2007

Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

Offering of * Rights to Subscribe for an Aggregate of up to * Units

Subscription Price: Three Rights and \$ * per Unit

The Subscription Price is * % of the Net Asset Value per Unit and * % of the closing price of the Units on the

Toronto Stock Exchange on *, 2008

Underwriter(s) or Distributor(s):

Middlefield Capital Corporation

Promoter(s):

-

Project #1200684

Issuer Name:

99 Capital Corporation

Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated December 27, 2007

Mutual Reliance Review System Receipt dated December 31, 2007

Offering Price and Description:

Minimum Offering: \$300,000.00 or 1,500,000 Common Shares;

Maximum Offering: \$500,000.00 or 2,500,000 Common Shares

Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #1179943

Issuer Name:

Adanac Molybdenum Corporation
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

Up to \$15,000,000.00 - 7,894,737 Units 7,142,857 Flow-Through Shares Price: \$0.95 per Unit
\$1.05 per Flow-Through Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.
MGI Securities Inc.
D&D Securities Company
Desjardins Securities Inc.
Fraser Mackenzie Inc.
Jennings Capital Inc.

Promoter(s):

-

Project #1195927

Issuer Name:

Award Capital Corp.
Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 27, 2007

Offering Price and Description:

Minimum Offering: \$250,000.00 or 1,250,000 Common Shares
Maximum Offering: \$1,000,000.00 or 5,000,000 Common Shares
Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Union Securities Inc.

Promoter(s):

Gus Gentile
George DeCritofofo
Pierre Gagnon

Project #1159391

Issuer Name:

Axis Investment Fund Inc.

Type and Date:

Final Prospectus dated December 20, 2007
Receipted on December 21, 2007

Offering Price and Description:

Class A Shares, Series 1 and Class A Shares, Series 2 at net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1185575

Issuer Name:

Brookfield Infrastructure Partners L.P.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated December 21, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Brookfield Asset Management Inc.

Project #1133798

Issuer Name:

B.E.S.T. Total Return Fund Inc. (formerly RoyNat Canadian Diversified Fund Inc.)
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated December 20, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

Class A Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1186574

Issuer Name:

Cambridge Canadian Asset Allocation Corporate Class
Cambridge Canadian Equity Corporate Class
Cambridge Global Equity Corporate Class
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated December 27, 2007
Mutual Reliance Review System Receipt dated December 28, 2007

Offering Price and Description:

Class A, AT5, AT8, F, FT5, FT8, W, I, IT5 and IT8 shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Investments Inc.

Project #1184462

Issuer Name:

Canadian Imperial Bank of Commerce
Principal Regulator - Ontario

Type and Date:

Final Short Form Base Shelf Prospectus dated December 19, 2007

Mutual Reliance Review System Receipt dated December 19, 2007

Offering Price and Description:

\$5,000,000,000.00

Debt Securities (subordinated indebtedness)

Class A Preferred Shares

Class B Preferred Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1197071

Issuer Name:

Canadian Medical Discoveries Fund Inc.

Principal Regulator - Ontario

Type and Date:

Final Prospectus dated December 20, 2007

Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

Class A, Series II Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1185162

Issuer Name:

Canadian National Railway Company

Principal Regulator - Quebec

Type and Date:

Final Shelf Prospectus dated December 17, 2007

Mutual Reliance Review System Receipt dated December 18, 2007

Offering Price and Description:

US\$2,500,000,000.00 Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1191726

Issuer Name:

Centamin Egypt Limited

Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated December 18, 2007

Mutual Reliance Review System Receipt dated December 19, 2007

Offering Price and Description:

112,000,000 Ordinary Shares to be issued upon the deemed exercise of 112,000,000 previously issued Special Warrants

Underwriter(s) or Distributor(s):

Westwind Partners Inc.

Orion Securities Inc.

Cormack Securities Inc.

Promoter(s):

-

Project #1196545

Issuer Name:

Claymore Natural Gas Commodity ETF

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 11, 2007 to the Final

Prospectus dated November 27, 2007

Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Claymore Investments, Inc.

Promoter(s):

-

Project #1166334

Issuer Name:

CMP Gold Trust
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated December 20, 2007
Mutual Reliance Review System Receipt dated December 24, 2007

Offering Price and Description:

Maximum \$100,000,000.00 (10,000,000 Units)
(Each Unit consisting of a Trust Unit and a Series A Warrant)

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Desjardins Securities Inc.
Wellington West Capital Inc.

Promoter(s):

Goodman & Company, Investment Counsel Ltd.

Project #1184305

Issuer Name:

Coastal Energy Company
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated December 28, 2007
Mutual Reliance Review System Receipt dated December 28, 2007

Offering Price and Description:

C\$50,050,000.00 - 14,300,000 Common Shares Price:
C\$3.50 per Offered Share

Underwriter(s) or Distributor(s):

MacQuarie Capital Markets Canada Ltd.
Westwind Partners Inc.

Promoter(s):

-

Project #1198689

Issuer Name:

Covington Fund II Inc.
Covington Strategic Capital Fund Inc.

Type and Date:

Final Prospectus dated December 20, 2007
Receipted on December 21, 2007

Offering Price and Description:

Class A Shares, Series I and Class A Shares, Series II @
Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1185399

Issuer Name:

Crescent Point Energy Trust
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated December 28, 2007
Mutual Reliance Review System Receipt dated December 28, 2007

Offering Price and Description:

\$125,008,750.00 - 5,155,000 Trust Units \$24.25 per Trust Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Firstenergy Capital Corp.
TD Securities Inc.
GMP Securities L.P.
Tristone Capital Inc.

Promoter(s):

-

Project #1198652

Issuer Name:

DMP Canadian Dividend Class
DMP Canadian Value Class
DMP Global Value Class
DMP Power Canadian Growth Class
DMP Power Global Growth Class
DMP Resource Class
DMP Value Balanced Class
Dynamic Advantage Bond Class
Dynamic Advantage Bond Fund
Dynamic American Value Fund
Dynamic Canadian Bond Fund (formerly Dynamic Income Fund)
Dynamic Canadian Dividend Class
Dynamic Canadian Dividend Fund
Dynamic Canadian Value Class
Dynamic Diversified Real Asset Fund
Dynamic Dividend Fund
Dynamic Dividend Income Class
Dynamic Dividend Income Fund
Dynamic Dividend Value Fund
Dynamic Dollar-Cost Averaging Fund
Dynamic EAFE Value Class
Dynamic European Value Fund
Dynamic Far East Value Fund
Dynamic Focus+ Balanced Fund
Dynamic Focus+ Diversified Income Fund (formerly Dynamic Focus+ Diversified Income Trust Fund)
Dynamic Focus+ Energy Income Trust Fund
Dynamic Focus+ Equity Fund
Dynamic Focus+ Real Estate Fund
Dynamic Focus+ Resource Fund
Dynamic Focus+ Small Business Fund
Dynamic Focus+ Wealth Management Fund
Dynamic Global Discovery Class
Dynamic Global Discovery Fund
Dynamic Global Dividend Value Class
Dynamic Global Dividend Value Fund
Dynamic Global Energy Class
Dynamic Global Infrastructure Fund
Dynamic Global Value Balanced Fund
Dynamic Global Value Class
Dynamic Global Value Fund (formerly Dynamic International Value Fund)
Dynamic High Yield Bond Fund
Dynamic Money Market Class
Dynamic Money Market Fund
Dynamic Power American Currency Neutral Fund
Dynamic Power American Growth Class
Dynamic Power American Growth Fund
Dynamic Power Balanced Fund
Dynamic Power Canadian Growth Class
Dynamic Power Canadian Growth Fund
Dynamic Power Global Growth Class
Dynamic Power Small Cap Fund
Dynamic Precious Metals Fund
Dynamic Real Return Bond Fund
Dynamic Strategic All Income Portfolio
Dynamic Strategic Growth Portfolio (formerly Dynamic Fund of Funds)
Dynamic Value Balanced Class
Dynamic Value Balanced Fund
Dynamic Value Fund of Canada

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated December 19, 2007
Mutual Reliance Review System Receipt dated December 20, 2007

Offering Price and Description:

Mutual fund securities at net asset value

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.

Promoter(s):

Goodman & Company, Investment Counsel Ltd.

Project #1184956

Issuer Name:

Escondoro Resources Ltd.
Principal Regulator - Quebec

Type and Date:

Final Prospectus dated December 20, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

\$4,000,000.00 - 6,666,666 Units at a price of \$0.60 per Unit

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Guy Bedard

Project #1166829

Issuer Name:

Golden Share Mining Corporation
Principal Regulator - Quebec

Type and Date:

Final Prospectus dated December 19, 2007
Mutual Reliance Review System Receipt dated December 19, 2007

Offering Price and Description:

Maximum Offering: \$3,722,250.00 (2,190 Units A and 1,470 Units B); Minimum Offering: \$2,224,800.00 (1,800 Units A and 390 Units B) Units A comprising of 2,300 "flow-through" common shares and 700 common shares at a price of \$1,015 per Unit A and Units B comprising of 3,400 common shares and 3,400 common share purchase warrants at a price of

\$1,020 per Unit B and this prospectus also qualifies the distribution by Searchgold Resources Inc. of 6,345,009 common shares

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Searchgold Resources Inc.

Project #1180824

Issuer Name:

GrowthWorks Canadian Fund Ltd.
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 20, 2007 to Final Prospectus dated November 7, 2007
Mutual Reliance Review System Receipt dated December 28, 2007

Offering Price and Description:

Class A Shares in Series
Offering Price: Net Asset Value per Series Share

Underwriter(s) or Distributor(s):

GrowthWorks Capital Ltd.

Promoter(s):

-

Project #1162879

Issuer Name:

GrowthWorks Commercialization Fund Ltd.
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 20, 2007 to Final Prospectus dated November 1, 2007
Mutual Reliance Review System Receipt dated December 28, 2007

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

GrowthWorks Capital Ltd.

Promoter(s):

-

Project #1165088

Issuer Name:

Inhance Bond Fund
Principal Regulator - British Columbia

Type and Date:

Final Simplified Prospectus and Annual Information Form dated November 19, 2007
Mutual Reliance Review System Receipt dated December 21, 2007

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1168987

Issuer Name:

KCC CAPITAL CORPORATION
Principal Regulator - British Columbia

Type and Date:

Final CPC Prospectus dated December 20, 2007
Mutual Reliance Review System Receipt dated December 27, 2007

Offering Price and Description:

Minimum Offering: \$500,000.00 - 5,000,000 Common Shares;

Maximum Offering: \$750,000.00 - 7,500,000 Common shares

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Research Capital Corporation
Haywood Securities Inc.

Promoter(s):

David Lake

Project #1187610

Issuer Name:

Lawrence Income & Growth Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated December 19, 2007
Mutual Reliance Review System Receipt dated December 27, 2007

Offering Price and Description:

Mutual fund trust units at net asset value

Underwriter(s) or Distributor(s):

Lawrence Asset Management Inc.

Promoter(s):

Lawrence Asset Management Inc.

Project #1159971

Issuer Name:

Mackenzie Destination+ 2015 Fund
Mackenzie Destination+ 2020 Fund
Mackenzie Destination+ 2025 Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated December 21, 2007
Mutual Reliance Review System Receipt dated December 27, 2007

Offering Price and Description:

Series A, F, I and O units

Underwriter(s) or Distributor(s):

N/A

Promoter(s):

-

Project #1188404

Issuer Name:

New Generation Biotech (Equity) Fund Inc.

Type and Date:

Final Prospectus dated December 20, 2007

Received on December 21, 2007

Offering Price and Description:

Class A Shares, Series II and Class A Shares, Series III @
Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1185396

Issuer Name:

Nord Resources Corporation

Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated December 18, 2007

Mutual Reliance Review System Receipt dated December
18, 2007

Offering Price and Description:

USD\$23,000,025.00 - 30,666,700 Common Shares
and 15,333,350 Warrants Issuable on Exercise of
30,666,700 Special Warrants

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Salman Partners Inc.

Promoter(s):

-

Project #1181885

Issuer Name:

Osisko Exploration Ltée

Principal Regulator - Quebec

Type and Date:

Final Prospectus dated December 21, 2007

Mutual Reliance Review System Receipt dated December
21, 2007

Offering Price and Description:

\$125,125,000.00 - 19,250,000 Common Shares and
9,625,000 Common Share Purchase Warrants Issuable on
Automatic Exercise of 19,250,000 Previously Issued
Special Warrants

Underwriter(s) or Distributor(s):

Westwind Partners Inc.

National Bank Financial Inc.

RBC Dominion Securities Inc.

BMO Capital Markets

Paradigm Capital Inc.

PI Financial Corp.

Promoter(s):

-

Project #1186040

Issuer Name:

Pinnacle American Core-Plus Bond Fund

Pinnacle American Large Cap Growth Equity Fund

Pinnacle American Mid Cap Growth Equity Fund

Pinnacle American Mid Cap Value Equity Fund

Pinnacle American Value Equity Fund

Pinnacle Canadian Growth Equity Fund

Pinnacle Canadian Mid Cap Value Equity Fund

Pinnacle Canadian Small Cap Equity Fund

Pinnacle Canadian Value Equity Fund

Pinnacle Global Equity Fund

Pinnacle Global Real Estate Securities Fund

Pinnacle High Yield Income Fund

Pinnacle Income Fund

Pinnacle International Equity Fund

Pinnacle International Small to Mid Cap Value Equity Fund

Pinnacle Short Term Income Fund

Pinnacle Strategic Balanced Fund

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated December 20, 2007

Mutual Reliance Review System Receipt dated December
24, 2007

Offering Price and Description:

Mutual Fund Securities at Net Asset Value

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

Promoter(s):

-

Project #1184312

Issuer Name:

Resource Hunter Capital Corp.

Principal Regulator - British Columbia

Type and Date:

Final CPC Prospectus dated December 28, 2007

Mutual Reliance Review System Receipt dated December
28, 2007

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

UNION SECURITIES LTD.

Promoter(s):

CARSON PHILLIPS

Project #1184294

Issuer Name:

Return on Innovation Fund Inc.

Type and Date:

Final Prospectus dated December 20, 2007

Received on December 28, 2007

Offering Price and Description:

Class A Shares, Series I

Class A Shares, Series II

and

Class A Shares, Series III

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1184944

Issuer Name:

Serica Energy PLC

Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated December 20, 2007

Mutual Reliance Review System Receipt dated December 20, 2007

Offering Price and Description:

£.25,265,761.00 - 24,770,354 Ordinary Shares per £1.02

Underwriter(s) or Distributor(s):

JPMorgan Cazenove Limited

Tristone Capital Inc.

Promoter(s):

-

Project #1196127

Issuer Name:

Sherritt International Corporation

Principal Regulator - Ontario

Type and Date:

Final Short Form Base Shelf Prospectus dated December 18, 2007

Mutual Reliance Review System Receipt dated December 19, 2007

Offering Price and Description:

\$500,000,000.00

Debt Securities

Common Shares

Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1195792

Issuer Name:

Sukari Ventures Corp.

Principal Regulator - British Columbia

Type and Date:

Final CPC Prospectus dated December 20, 2007

Mutual Reliance Review System Receipt dated December 31, 2007

Offering Price and Description:

\$200,000.00

2,000,000 Common Shares

Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Bolder Investment Partners, Ltd.

Promoter(s):

Steve Smith

Project #1193782

Issuer Name:

Terra Firma Capital Corporation

Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated December 14, 2007

Mutual Reliance Review System Receipt dated December 18, 2007

Offering Price and Description:

\$700,000.00

(3,500,000 Common Shares)

Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Counsel Corporation

Project #1167353

Issuer Name:

Verbina Resources Inc.

Principal Regulator - Ontario

Type and Date:

Final Prospectus dated December 21, 2007

Mutual Reliance Review System Receipt dated December 28, 2007

Offering Price and Description:

MINIMUM: \$620,000.00; MAXIMUM: \$1,000,000.00:

MINIMUM OF 620,000 UNITS AND 516,667 FLOW-

THROUGH SHARES MAXIMUM OF 1,000,000 UNITS

AND 833,334 FLOW-THROUGH SHARES

PRICE: \$0.50 per Unit and \$0.60 per Flow-through Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

Gordon Winter

Project #1193936

Issuer Name:

Western Financial Group Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated December 18, 2007
Mutual Reliance Review System Receipt dated December 18, 2007

Offering Price and Description:

\$5,000,000.00 (Minimum Offering)
\$20,000,000.00 (Maximum Offering)
A Minimum of 50,000 and a Maximum of 200,000 First Preferred Shares, Series Four

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
Desjardins Securities Inc.
TD Securities Inc.
Jennings Capital Inc.
Acumen Capital Finance Partners Limited

Promoter(s):

-

Project #1196672

Issuer Name:

ATB Money Market Fund
Compass Balanced Growth Portfolio
Compass Balanced Portfolio
Compass Conservative Balanced Portfolio
Compass Conservative Portfolio
Compass Growth Portfolio
Compass Maximum Growth Portfolio
Principal Jurisdiction - Alberta (ASC)

Type and Date:

Preliminary Simplified Prospectus and Annual Information Form dated November 13th, 2007
Withdrawn on December 17th, 2007

Offering Price and Description:

Series A, F and I Units

Underwriter(s) or Distributor(s):

ATB Investment Management Inc.

Promoter(s):

ATB Investment Management Inc.

Project #1183822

Issuer Name:

Diamond Frank Exploration Inc.
Principal Jurisdiction - Quebec

Type and Date:

Preliminary Prospectus dated October 31, 2007
Amendment #1 dated November 14, 2007
Withdrawn on December 21st, 2007

Offering Price and Description:

Minimum Offering: \$1,175,000.00
Maximum Offering: \$6,600,000.00
Price per "A" and "B" Unit: \$1,000

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Typhoon Exploration Inc.

Project #1174872

Issuer Name:

Gold Standard Royalty Corporation
Principal Jurisdiction - Ontario

Type and Date:

Amendment to Preliminary Prospectus dated September 20th, 2007
Withdrawn on December 20th, 2007

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

D&D Securities Company
Haywood Securities Inc.

Promoter(s):

John E. Watson

Project #1133899

Issuer Name:

Fluid Media Networks, Inc.
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Prospectus dated May 7th, 2007
Closed on December 3rd, 2007

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Paradigm Capital Inc.
Loewen, Ondaatje, McCutcheon Limited
Wellington West Capital Markets Inc.

Promoter(s):

-

Project #1098060

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: McDonald Investments Inc. To: KeyBanc Capital Markets Inc.	International Dealer	April 16, 2007
Name Change	From: Novabridge Corporation To: Bristol Gate Capital Partners Inc.	Limited Market Dealer, Investment Counsel & Portfolio Manager	December 13, 2007
New Registration	Ethical Funds LP	Investment Counsel & Portfolio Manager	December 28, 2007
Consent to Suspension (Rule 33-501 – <i>Surrender of Registration</i>)	Northwest Mutual Funds Inc.	Mutual Fund Dealer	December 28, 2007
Consent to Suspension (Rule 33-501 – <i>Surrender of Registration</i>)	Northwest Asset Management Inc.	Investment Counsel & Portfolio Manager	December 28, 2007
Change of Category	Goldman, Sachs & Co.	From: International Adviser (Investment Counsel & Portfolio Manager) & International Dealer To: International Adviser (Investment Counsel & Portfolio Manager) & International Dealer and Limited Market Dealer	January 2, 2008

Registrations

Type	Company	Category of Registration	Effective Date
Suspension	Cathay Financial Inc.	International Dealer	January 2, 2008
Suspension	Courthill Capital Inc.	Investment Counsel & Portfolio Manager	January 2, 2008
Suspension	Factorcorp Inc.	Limited Market Dealer	January 2, 2008
Suspension	HVB Capital Markets, Inc.	International Dealer	January 2, 2008
Suspension	John To Financial Services Limited	Limited Market Dealer	January 2, 2008
Suspension	Newhouse Capital Corporation	Limited Market Dealer	January 2, 2008
Suspension	Northern Precious Metals Management Inc./Gestion Metaux Precieux Northern Inc.	Investment Counsel & Portfolio Manager	January 2, 2008
Suspension	Resource Capital Partners Inc.	Limited Market Dealer	January 2, 2008
Suspension	The Griswold Company, Incorporated	International Dealer	January 2, 2008
Suspension	Trinity Capital Securities Limited	Limited Market Dealer	January 2, 2008
Amalgamation	Newedge Canada Inc. From: Fimat Canada Inc. - and - Calyon Financial Canada Inc.	Investment Dealer & Futures Commission Merchant	January 2, 2008
Suspension	A.G. Edwards & Sons, Inc.	International Dealer	January 2, 2008
Suspension	A2B2 Investment Management Ltd.	Extra-Provincial Investment Counsel & Portfolio Manager	January 2, 2008

Registrations

Type	Company	Category of Registration	Effective Date
Suspension	Aberdeen Gould Inc.	Limited Market Dealer	January 2, 2008
Suspension	Adelmac Investments Limited	Limited Market Dealer	January 2, 2008
Suspension	Albourne Partners Limited	International Adviser (Investment Counsel & Portfolio Manager)	January 2, 2008
Suspension	Alexander Hagan Inc.	Limited Market Dealer	January 2, 2008
Suspension	Altegris Investments, Inc.	Limited Market Dealer	January 2, 2008
Suspension	Ameriprise Financial Services, Inc.	International Dealer	January 2, 2008
Suspension	Aton Securities, Inc.	Limited Market Dealer	January 2, 2008
Suspension	Bijou Securities Inc.	Limited Market Dealer	January 2, 2008
Suspension	Brookshire Capital Corporation	Limited Market Dealer	January 2, 2008
Suspension	Cadsby, Theodore Russell	Securities Adviser	January 2, 2008
Suspension	Cap Portfolio Services Inc.	Limited Market Dealer	January 2, 2008
Suspension	Chartwell Investment Partners, L.P.	International Adviser (Investment Counsel & Portfolio Manager)	January 2, 2008

Registrations

Type	Company	Category of Registration	Effective Date
Suspension	Coxswain Row Capital Corporation	Limited Market Dealer	January 2, 2008
Suspension	Diversity Investment Sales Corp.	Limited Market Dealer	January 2, 2008
Suspension	F&C Emerging Markets Limited	International Adviser (Investment Counsel & Portfolio Manager)	January 2, 2008
Suspension	First Montauk Securities Corp.	International Dealer	January 2, 2008
Suspension	Fortis Investment Management USA, Inc.	International Adviser (Investment Counsel & Portfolio Manager)	January 2, 2008
Suspension	Fusion Capital Partners Inc.	Limited Market Dealer	January 2, 2008
Suspension	G-Trade Services Ltd.	International Dealer	January 2, 2008
Suspension	Golden Gate Financial Planners Ltd.	Limited Market Dealer	January 2, 2008
Suspension	Great Oak Capital Corporation	Limited Market Dealer	January 2, 2008
Suspension	Hamilton Lane Richcourt Advisors LLC	International Adviser (Investment Counsel & Portfolio Manager)	January 2, 2008
Suspension	Holt Capital Advisors Ltd.	Limited Market Dealer	January 2, 2008

Registrations

Type	Company	Category of Registration	Effective Date
Suspension	John D. Hillery Investment Counsel Inc.	Limited Market Dealer & Investment Counsel & Portfolio Manager	January 2, 2008
Suspension	John W. Henry & Company, Inc.	Commodity Trading Manager (Non-Resident)	January 2, 2008
Suspension	Joseph Stevens & Company, Inc.	International Dealer	January 2, 2008
Suspension	JR/Janus Merchant Brokers Ltd.	Limited Market Dealer	January 2, 2008
Suspension	Lehman Brothers Japan Inc.	International Dealer	January 2, 2008
Suspension	MacKenzie FSG International Limited	Limited Market Dealer	January 2, 2008
Suspension	MBS Consultants Inc.	Limited Market Dealer	January 2, 2008
Suspension	Mergeco Resources Inc.	Limited Market Dealer	January 2, 2008
Suspension	Moore Capital Advisors Canada ULC	Limited Market Dealer & Investment Counsel & Portfolio Manager	January 2, 2008
Suspension	Nationwide Fund Distributors LLC	International Dealer	January 2, 2008
Suspension	Nereus Financial Inc.	Investment Counsel & Portfolio Manager	January 2, 2008

Registrations

Type	Company	Category of Registration	Effective Date
Suspension	OFI Private Investments Inc.	International Adviser (Investment Counsel & Portfolio Manager)	January 2, 2008
Suspension	Parc Capital Management Limited	Commodity Trading Manager	January 2, 2008
Suspension	Plum Hollow Investments Inc.	Limited Market Dealer	January 2, 2008
Suspension	Prodigy Wealth Management Corp.	Investment Dealer	January 2, 2008
Suspension	Raspberry Investments Corp.	Limited Market Dealer	January 2, 2008
Suspension	RFA Capital Management Inc.	Limited Market Dealer	January 2, 2008
Suspension	Ryan, Beck & Co., Inc.	International Dealer	January 2, 2008
Suspension	Stonecroft+Partners Inc.	Limited Market Dealer	January 2, 2008
Suspension	Stoneharbour Investment Counsel Inc.	Limited Market Dealer & Investment Counsel & Portfolio Manager	January 2, 2008
Suspension	T.H.A. Bodnar & Co. Investment Management Ltd.	Limited Market Dealer & Investment Counsel & Portfolio Manager	January 2, 2008
Suspension	W.R. Hambrecht + Co., LLC	International Dealer	January 2, 2008
Suspension	Wells Fargo Investments, LLC	International Dealer	January 2, 2008

Registrations

Type	Company	Category of Registration	Effective Date
Suspension	Westmont Investment Management Inc.	Limited Market Dealer & Investment Counsel & Portfolio Manager	January 2, 2008
Suspension	Westport Capital Management Corporation	Limited Market Dealer	January 2, 2008
New Registration	General Capital Markets Ltd.	Limited Market Dealer	January 2, 2008
New Registration	Stanton Funds Inc.	Limited Market Dealer	January 2, 2008
New Registration	Chippewa Nation Financial Group Inc.	Limited Market Dealer	January 2, 2008
New Registration	Gleacher Fund Advisors LP	Limited Market Dealer, Non-Canadian Adviser (Investment Counsel & Portfolio Manager) & Commodity Trading Manager (Non-Resident)	January 2, 2008
Category Change	Calrossie Investment Management Inc.	From: Investment Counsel & Portfolio Manager To: Investment Counsel & Portfolio Manager and Limited Market Dealer	January 2, 2008
New Registration	League Assets Corp.	Limited Market Dealer	January 2, 2008
New Registration	Capital Growth Financial, LLC	International Dealer	January 2, 2008

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to Euroclear UK Direct Participant Procedures

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

EUROCLEAR UK DIRECT PARTICIPANT PROCEDURES

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

In August 2007, CDS's regulators approved amendments to CDS Participant Rules relating to CDS's Euroclear UK Direct Service (the "Service"). At that time, CDS also published a Notice of Effective Date in respect of technical amendments to CDS Participant Procedures relating to the use of the Service.

The proposed amendments are housekeeping, grammatical, and typographical in nature and are proposed in the normal course of CDS's ongoing maintenance of its Participant Procedures.

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

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

[en français: <http://www.cds.ca/cdsclearinghome.nsf/Pages/-FR-Documentation?Open>]

Description of Proposed Amendments

The CDS User Guide entitled *Euroclear UK Direct Service Participant Procedures* will be amended to clarify and correct several typographical and grammatical mistakes contained in the current version of the User Guide.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments; they consist solely of the correction of spelling, punctuation, typographical or grammatical mistakes.

C. EFFECTIVE DATE OF THE RULE

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the OSC Recognition and Designation Order, as amended 1 November, 2006, and *Annexe A ("Protocole d'examen et d'approbation des Règles de Services de Dépôt et de Compensation CDS Inc. par l'Autorité des marchés financiers")* of AMF Decision 2006-PDG-0180, made effective on 1 November, 2006, CDS has determined that these amendments will be effective on **January 7, 2008**.

D. QUESTIONS

Questions regarding this notice may be directed to:

Tony Hoffmann
Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West,
Toronto, Ontario, M5H 2C9

Telephone: 416-365-3768 ; Fax: 416-365-1984
e-mail: attention@cds.ca

JAMIE ANDERSON
Managing Director, Legal

13.1.2 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to U.S. Withholding Tax Detail File Procedures

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

U.S. WITHHOLDING TAX DETAIL FILE PROCEDURES

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE RULE AMENDMENT

Background

On November 5, 2007, CDS implemented amendments to Participant Procedures related to Withholding Tax Reconciliation. One component of those procedures was the introduction of the new outbound monthly *U.S. Withholding Tax - Detail* file, which provides Participants with the accumulated details of U.S. taxes withheld on their behalf for the previous taxation year (based on a Participant's Qualified Intermediary status and tax elections).

The proposed amendments to the procedures clarify that the above file will identify month-over-month changes to the data in the file, including all new entries and changes to existing entries.

NOTE: Participants currently receive all the information included in the file - this initiative, and the consequential proposed amendments to Participant procedures provide a distinction between new details and information previously included in the file.

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

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

[en français: <http://www.cds.ca/cdsclearinghome.nsf/Pages/-FR-Documentation?Open>]

Description of Proposed Amendments

The *CDSX Procedures and User Guide* will be updated to include section 8.11.1; this section provides details of the contents of the *U.S. Withholding Tax – Detail* file.

The CDS User Guide entitled *CDS Reporting Procedures* will be updated to include section 13.33; this section provides details regarding the content and layout of the *U.S. Withholding Tax – Detail* file.

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments; they are matters of a technical nature in routine operating procedures and administrative practices relating to the settlement services.

C. EFFECTIVE DATE OF THE RULE

Pursuant to Appendix A ("Rule Protocol Regarding The Review And Approval Of CDS Rules By The OSC") of the OSC Recognition and Designation Order, as amended 1 November, 2006, and *Annexe A* ("Protocole d'examen et d'approbation des Règles de Services de Dépôt et de Compensation CDS Inc. par l'Autorité des marchés financiers") of AMF Decision 2006-PDG-0180, made effective on 1 November, 2006, CDS has determined that these amendments will be effective on **February 4, 2008**.

D. QUESTIONS

Questions regarding this notice may be directed to:

Tony Hoffmann
Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West,
Toronto, Ontario, M5H 2C9

Telephone: 416-365-3768 ; Fax: 416-365-1984
e-mail: attention@cds.ca

JAMIE ANDERSON
Managing Director, Legal

13.1.3 IDA Regulation 100.4E - Offsets Between Strip Coupon Positions and / or Residual Debt Positions

INVESTMENT DEALERS ASSOCIATION OF CANADA – IDA REGULATION 100.4E - OFFSETS BETWEEN STRIP COUPON POSITIONS AND / OR RESIDUAL DEBT POSITIONS

I Overview

A Current rules

Current IDA Regulation 100.4E, (the Regulation) allows for offsets between government bond and strip coupon positions, and government bond and residual debt positions, subject to meeting specified conditions. The rule, however, is silent on permitting reduced margin offsets between strip coupon positions, between residual debt positions, and between strip coupon and residual debt positions.

B The issue(s)

Consequently, each position within each of these offsets would be required to be margined separately, which would result in higher overall margin requirements than if they were treated as offsets. These higher overall margin requirements are not aligned with the reduced risk of these offsets and therefore, more margin is currently required than what is needed to address their risk.

C Objectives

The main objective of the proposed rule changes is to align the margin and capital requirements for each offset with its respective risk by allowing:

- offsets between strip coupon positions;
- offsets between residual debt positions; and
- offsets between strip coupon and residual debt positions.

As a secondary objective, we are also proposing to make clarifying wording changes to the Regulation as a whole.

D Effect of proposed rules

The proposed amendments are intended to promote the efficient use of capital and to align the capital and margin requirements with the offset risk. There are no negative impacts on market structure, on Members and non-Members, or on competition or cost of compliance. The proposed amendments are also consistent with other IDA rules and regulations.

II Detailed analysis

A Present rules, relevant history and proposed policy

The current Regulation permits offsets between regular bonds and strip coupon positions, and offsets between regular bonds and residual debt positions, provided these offsets meet the conditions specified in the Regulation. However, it is silent on allowing reduced margin offsets between strip coupon positions, between residual debt positions or between strip coupon and residual debt positions. These offsets represent reduced risk in comparison to unhedged positions involving the same instruments and should therefore qualify for reduced margin or capital treatments. The proposed amendments are only applicable to debt instruments issued or guaranteed by the Government of Canada or a province of Canada. Furthermore, specified conditions must be met before the proposed offset rules are applicable.

We are proposing that for offsets where the long and short positions involve debt instruments (bonds, debentures, strip coupons or residuals) that are issued or guaranteed by the Government of Canada or based on such, the reduced margin and capital requirements be “the excess of the margin required on the long (or short) position over the margin required on the short (or long) position, respectively.” This same reduced margin and capital treatment would also apply to offsets where the long and short positions involve debt securities that are issued or guaranteed by any province of Canada or based on such.

Furthermore, we are proposing that for offsets where the long and short positions involve debt instruments that are issued or guaranteed by the Government of Canada and any province of Canada or based on such, the reduced margin and capital requirements be “50% of the total margin required for both positions otherwise determined in the Regulations.” This higher

margin requirement is to cover additional risks inherent in offsets where the positions are essentially combinations of federal and provincial debt instruments.

In summary, the Association proposes to amend the Regulation to recognize offsets between residual debt positions, between strip coupon positions, and offsets between residual debt and strip coupon positions. The proposed changes are set in detail in the attached amendment board resolution and amendment black-line copy.

B Issues and alternatives considered

No alternative proposals were considered as the proposals seek to establish specific offset rules that are not currently recognized in the IDA rules.

C Comparison with similar provisions

Many countries, including the U.S. and the U.K., have restrictions on stripping bonds. In addition, in the U.K., only U.K. Government bonds are eligible, while in the U.S., only bonds issued by the Federal Government or Government agencies are eligible to be stripped. In general, offsets between these debt instruments may not be allowed unless under strict circumstances where sophisticated financial models may be involved. There are no descriptive rules in UK or US that are similar to what Canada has or proposes to have in this regard. Since Canada has a much more developed stripped bond market structure, it is more crucial than in other major markets such as the U.S. and the U.K. for Canada to have clear and specific regulations that permit Members and clients to better manage risks and promote efficient use of capital.

D Systems impact of rule

We believe that the proposed amendments will have no impact in terms of capital market structure, competition, cost of compliance and conformity with other rules. The Bourse de Montréal is also in the process of passing these amendments. Implementation of these amendments will therefore take place once both the Association and the Bourse de Montréal have received approval to do so from their respective recognizing regulators.

E Best interests of the capital markets

The Board has determined that the public interest rule is not detrimental to the best interests of the capital markets.

F Public interest objective

According to the Association's order of recognition as a self regulatory organization, the Association shall, where requested, provide in respect of a proposed rule change "a concise statement of its nature, purposes and effects, including possible effects on market structure and competition". Statements have been made elsewhere as to the nature and effects of the proposals with respect to the margining of offsets involving residual debt positions, strip coupon positions, and between the two products. The purposes of the proposal are to "facilitate an efficient capital-raising process and to facilitate transparent, efficient and fair secondary market trading" and to "facilitate fair and open competition in securities transactions generally".

The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, Members or others. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purposes. Based on the significance of these proposed amendments they have been determined to be public interest in nature.

III Commentary

A Filing in other jurisdictions

These proposed amendments will be filed for approval in Alberta, British Columbia, Ontario and Quebec and will be filed for information in Manitoba, Newfoundland and Labrador, Nova Scotia and Saskatchewan.

B Effectiveness

An assessment of the effectiveness of the proposed rules in addressing the issues has been discussed above.

C Process

These proposed amendments have been developed and recommended for approval by the FAS (Financial Administrators Section) Capital Formula Subcommittee and have been recommended for approval by the FAS Executive Committee and the FAS.

IV Sources

References:

- IDA Regulations 100.2(a)(xi) and 100.4E
<http://ida.knotia.ca/Knowledge/View/Document.cfm?Ktype=445&linkType=toc&dbID=210711341&tocID=483>
<http://ida.knotia.ca/Knowledge/View/Document.cfm?Ktype=445&linkType=toc&dbID=210711341&tocID=490>
- Strip Bonds Information Centre
www.stripbonds.info/international/

V Requirement to publish for comment

The IDA is required to publish for comment the accompanying proposed amendments so that the issue referred to above may be considered by recognizing regulators staff.

The Association has determined that the entry into force of the proposed policies and amendments would be in the public interest. Comments are sought on the proposed policies and amendments. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Answerd Ramcharan, Specialist, Regulatory Policy, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Those submitting comment letters should be aware that a copy of their comment letter will be made publicly available on the IDA website (www.ida.ca) under the heading "Rule Book & Bulletins" and sub-heading "Regulatory Policy Proposals and Comment Letters Received".

Questions may be referred to:

Answerd Ramcharan,
Specialist, Regulatory Policy,
Investment Dealers Association of Canada
(416) 943-5850
aramcharan@ida.ca

Investment Dealers Association of Canada

**IDA Regulation 100.4E - Offsets between strip coupon positions and / or residual debt positions
Board Resolution**

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. Regulation 100.4E is repealed and replaced as follows,

"100.4E. Strip coupon and / or residual debt positions

Government debt

Where a Member or customer holds the following offset positions and:

- (i) the offset positions mature within the same time period;
- (ii) the time periods are the time periods referred to in Regulation 100.2(a);
- (iii) the offset positions are denominated in Canadian dollars; and
- (iv) the market value of the short position is equal to the market value of the long position;

the margin required is as follows:

(a) Bond or debenture and strip coupon or residual debt positions

- (i) for a short (or long) position in bonds or debentures issued or guaranteed by the Government of Canada and a long (or short) position in the strip coupon or residual portion of such debt instruments; or
- (ii) for a short (or long) position in bonds or debentures issued or guaranteed by a province of Canada and a long (or short) position in the strip coupon or residual portion of such debt instruments;

the margin required shall be the excess of the margin required on the long (or short) position over the margin required on the short (or long position), respectively.

- (iii) for a short (or long) position in bonds or debentures issued or guaranteed by the Government of Canada and a long (or short) position in a strip coupon or residual portion of a debt instrument issued or guaranteed by a province of Canada; or
- (iv) for a short (or long) position in bonds or debentures issued or guaranteed by a province of Canada and a long (or short) position in a strip coupon or residual portion of a debt instrument issued or guaranteed by the Government of Canada;

the margin required shall be 50% of the total margin required for both positions otherwise determined in the Regulations.

(b) Strip coupon positions

- (i) for a short (or long) position in a strip coupon and a long (or short) position in a strip coupon, and the strip coupons are from debt instruments issued or guaranteed by the Government of Canada; or
- (ii) for a short (or long) position in a strip coupon and a long (or short) position in a strip coupon, and the strip coupons are from debt instruments issued or guaranteed by any province of Canada;

the margin required shall be the excess of the margin required on the long (or short) position over the margin required on the short (or long) position, respectively.

- (iii) for a short (or long) position in a strip coupon of a debt instrument issued or guaranteed by the Government of Canada and a long (or short) position in a strip coupon of a debt instrument issued or guaranteed by a province of Canada;

the margin required shall be 50% of the total margin required for both positions otherwise determined in the Regulations.

(c) Residual debt positions

- (i) for a short (or long) position in a residual and a long (or short) position in a residual, and the residual portions are from debt instruments issued or guaranteed by the Government of Canada; or
- (ii) for a short (or long) position in a residual and a long (or short) position in a residual, and the residual portions are from debt instruments issued or guaranteed by any province of Canada;

the margin required shall be the excess of the margin required on the long (or short) position over the margin required on the short (or long) position, respectively.

- (iii) for a short (or long) position in a residual portion of a debt instrument issued or guaranteed by the Government of Canada and a long (or short) position of a residual portion of a debt instrument issued or guaranteed by a province of Canada;

the margin required shall be 50% of the total margin required for both positions otherwise determined in the Regulations.

(d) Strip coupon and residual debt positions

- (i) for a short (or long) position in a strip coupon and a long (or short) position in a residual, and the residual portions are from debt instruments issued or guaranteed by the Government of Canada; or
- (ii) for a short (or long) position in a strip coupon and a long (or short) position in a residual, and the residual portions are from debt instruments issued or guaranteed by any province of Canada;

the margin required shall be the excess of the margin required on the long (or short) position over the margin required on the short (or long) position, respectively.

- (iii) for a short (or long) position in a strip coupon of a debt instrument issued or guaranteed by the Government of Canada and a long (or short) position of a residual portion of a debt instrument issued or guaranteed by a province of Canada; or
- (iv) for a short (or long) position in a residual portion of a debt instrument issued or guaranteed by the Government of Canada and a long (or short) position of a strip coupon of a debt instrument issued or guaranteed by a province of Canada;

the margin required shall be 50% of the total margin required for both positions otherwise determined in the Regulations.

Foreign currency debt

(e) Bond or debenture and strip coupon or residual debt positions

Where a Member holds a short (or long) position in bonds or debentures referred to in Regulation 100.2(a)(i) denominated in a currency other than Canadian dollars, and also holds a long (or short) position in the stripped or residual portion of such debt instruments denominated in the same currency, the margin shall be the excess of the margin required on the short (or long) position, over the margin required on the short (or long) position provided that the net margin may only be determined as aforesaid on the basis that:

- (i) Margin required in respect of a short (or long) position in bonds or debentures may only be netted against margin required in respect of a long (or short) position in stripped coupons or residuals to the extent that the market value of the two positions is equal, and no such netting or offset shall be permitted in respect of the market value of a short (or long) position which is in excess of the market value of the long (or short) position; and
- (ii) Margin in respect of bonds or debentures issued or guaranteed by a particular government may only be netted against the margin required for the stripped coupon or residual portion of debt instruments of the same government, which mature within the same periods referred to in Regulation 100.2(a)(i) for the purpose of determining margin rates.

Corporate debt

(f) Bond or debenture and strip coupon or residual debt positions

Where a Member holds a short (or long) position in bonds or debentures issued by a corporation with a single A or higher rating by any of Canadian Bond Rating Service, Dominion Bond Rating Service, Moody's Investors Service or Standard and Poor's Bond Record, and also holds a long (or short) position in the stripped coupon or residual portion of such debt instruments, the margin required shall be the greater of the margin required on the long (or short) position and the margin required on the short (or long) position, to a maximum 20% margin rate, provided that the margin may only be determined as aforesaid on the basis that:

- (i) The offset is permitted only to the extent that the market value of the two positions is equal, and no offset shall be permitted in respect of the market value of a short (or long) position which is in excess of the market value of the long (or short) position; and
- (ii) Margin required in respect of bonds or debentures issued by a corporation may only be offset against the margin required for the stripped coupon or residual portion of debt instruments of the same issuer, which mature within the same periods referred to in Regulation 100.2(a)(xi) for the purpose of determining margin rates."

BE IT RESOLVED THAT the Board of Directors adopt, on this 12th day of December 2007, the English and French versions of these amendments. The Board of Directors also authorizes the Association Staff to make the minor changes that shall be required from time to time by the securities administrators with jurisdiction. These amendments shall take effect on the date determined by the Association Staff.

Investment Dealers Association of Canada

IDA Regulation 100.4E - Offsets between strip coupon positions and / or residual debt positions

Black-line copy of proposed amendments

“100.4E. Strip Coupons or Residuals ~~coupon and / or residual debt positions~~”

Government Debt ~~debt~~

~~Where a Member holds a short (or long) position in bonds or debentures or~~ customer holds the following offset positions and:

- ~~(i) the offset positions mature within the same time period;~~
- ~~(ii) the time periods are the time periods referred to in Regulation 100.2(a);~~
- ~~(iii) the offset positions are denominated in Canadian dollars issued or guaranteed by either the Government of Canada or by a province of Canada and also holds a long (or short) position in the stripped coupon or residual portion of such debt instruments; and~~
- ~~(iv) the market value of the short position is equal to the market value of the long position;~~

~~the margin required is as follows:~~

(a) Bond or debenture and strip coupon or residual debt positions

- ~~(i) for a short (or long) position in bonds or debentures issued or guaranteed by the Government of Canada and a long or (short) position in the strip coupon or residual portion of such debt instruments; or~~
- ~~(ii) for a short (or long) position in bonds or debentures issued or guaranteed by a province of Canada and a long (or short) position in the strip coupon or residual portion of such debt instruments;~~

~~the margin required shall be the excess of the margin required on the long (or short) position over the margin required on the short (or long position), respectively.~~

- ~~(iii) for a short (or long) position in bonds or debentures issued or guaranteed by the Government of Canada and a long or (short) position in a strip coupon or residual portion of a debt instrument issued or guaranteed by a province of Canada; or~~
- ~~(iv) for a short (or long) position in bonds or debentures issued or guaranteed by a province of Canada and a long (or short) position in a strip coupon or residual portion of a debt instrument issued or guaranteed by the Government of Canada;~~

~~the margin required shall be 50% of the total margin required for both positions otherwise determined in the Regulations.~~

(b) Strip coupon positions

- ~~(i) for a short (or long) position in a strip coupon and a long (or short) position in a strip coupon, and the strip coupons are from debt instruments issued or guaranteed by the Government of Canada; or~~
- ~~(ii) for a short (or long) position in a strip coupon and a long (or short) position in a strip coupon, and the strip coupons are from debt instruments issued or guaranteed by any province of Canada;~~

~~the margin required shall be the excess of the margin required on the long (or short) position over the margin required on the short (or long) position, provided that the net margin may only be determined as aforesaid on the basis that respectively.~~

- ~~(a) Margin required in respect of a short (or long) position in bonds or debentures may only be netted against margin required in respect of a long (or short) position in stripped coupons or residuals to the extent that the market value of the two positions is equal, and no such netting or offset shall be permitted in respect of the market value of a short (or long) position which is in excess of the market value of the long (or short) position;~~

- (b) ~~Margin required in respect of bonds or debentures issued or guaranteed by the Government of Canada may only be netted against the margin required for the stripped coupon or residual coupon of other Government of Canada instruments which mature within the same periods referred to in Regulation 100.2(a) for the purpose of determining margin rates; and~~
- (c) ~~Margin required in respect of bonds or debentures issued or guaranteed by a province of Canada may only be netted against the margin required for the stripped coupon or residual portion of other province of Canada instruments which mature within the same periods referred to in Regulation 100.2(a) for the purpose of determining margin rates.~~

~~Notwithstanding the foregoing provisions of this Regulation 100.4E, where a Member holds:~~

- (i) ~~A short (or long) position in bonds or debentures issued or guaranteed by the Government of Canada and a long (or short) position in the stripped or residual portion of bonds or debentures issued or guaranteed by a province of Canada; or~~
- (ii) ~~A short (or long) position in bonds or debentures issued or guaranteed by a province of Canada and a long (or short) position in the stripped or residual portion of bonds or debentures issued or guaranteed by the Government of Canada;~~
- (iii) ~~for a short (or long) position in a strip coupon of a debt instrument issued or guaranteed by the Government of Canada and a long (or short) position in a strip coupon of a debt instrument issued or guaranteed by a province of Canada;~~

~~the margin required shall be 50% of the total margin required for both positions otherwise determined in the Regulations.~~

(c) Residual debt positions

- (i) for a short (or long) position in a residual and a long (or short) position in a residual, and the residual portions are from debt instruments issued or guaranteed by the Government of Canada; or
- (ii) for a short (or long) position in a residual and a long (or short) position in a residual, and the residual portions are from debt instruments issued or guaranteed by any province of Canada;

the margin required shall be the excess of the margin required on the long (or short) position over the margin required on the short (or long) position, respectively.

- (iii) for a short (or long) position in a residual portion of a debt instrument issued or guaranteed by the Government of Canada and a long (or short) position of a residual portion of a debt instrument issued or guaranteed by a province of Canada;

~~The~~the margin required shall be 50% of the total margin required for both positions otherwise determined ~~under~~in the Regulations; ~~provided that such margin may only be determined as aforesaid on the basis that:~~

- (iii) ~~Margin required in respect of a short (or long) position in bonds or debentures may only be netted against margin required in respect of a long (or short) position in stripped coupons or residuals to the extent that the market value of the two positions is equal, and no such netting or offset shall be permitted in respect of the market value of a short (or long) position which is in excess of the market value of the long (or short) position;~~
- (iv) ~~Margin required in respect of bonds or debentures may only be netted against the margin required for the stripped coupon or residual coupon of instruments which mature within the same periods referred to in Regulation 100.2(a) for the purpose of determining margin rates.~~
- (v) ~~The bonds and debentures and the stripped coupon or residual coupon of such debt instruments are both denominated in Canadian dollars.~~

(d) Strip coupon and residual debt positions

- (i) for a short (or long) position in a strip coupon and a long (or short) position in a residual, and the residual portions are from debt instruments issued or guaranteed by the Government of Canada; or
- (ii) for a short (or long) position in a strip coupon and a long (or short) position in a residual, and the residual portions are from debt instruments issued or guaranteed by any province of Canada;

the margin required shall be the excess of the margin required on the long (or short) position over the margin required on the short (or long) position, respectively.

(iii) for a short (or long) position in a strip coupon of a debt instrument issued or guaranteed by the Government of Canada and a long (or short) position of a residual portion of a debt instrument issued or guaranteed by a province of Canada; or

(iv) for a short (or long) position in a residual portion of a debt instrument issued or guaranteed by the Government of Canada and a long (or short) position of a strip coupon of a debt instrument issued or guaranteed by a province of Canada;

the margin required shall be 50% of the total margin required for both positions otherwise determined in the Regulations.

Foreign Currency Debt~~currency debt~~

(e) Bond or debenture and strip coupon or residual debt positions

Where a Member holds a short (or long) position in bonds or debentures referred to in Regulation 100.2(a)(i) denominated in a currency other than Canadian dollars, and also holds a long (or short) position in the stripped or residual portion of such debt instruments denominated in the same currency, the margin shall be the excess of the margin required on the short (or long) position, over the margin required on the short (or long) position provided that the net margin may only be determined as aforesaid on the basis that:

(~~d~~i) Margin required in respect of a short (or long) position in bonds or debentures may only be netted against margin required in respect of a long (or short) position in stripped coupons or residuals to the extent that the market value of the two positions is equal, and no such netting or offset shall be permitted in respect of the market value of a short (or long) position which is in excess of the market value of the long (or short) position; and

(~~e~~ii) Margin in respect of bonds or debentures issued or guaranteed by a particular government may only be netted against the margin required for the stripped coupon or residual portion of debt instruments of the same government, which mature within the same periods referred to in Regulation 100.2(a)(i) for the purpose of determining margin rates.

Corporate Debt~~debt~~

(f) Bond or debenture and strip coupon or residual debt positions

Where a Member holds a short (or long) position in bonds or debentures issued by a corporation with a single A or higher rating by any of Canadian Bond Rating Service, Dominion Bond Rating Service, Moody's Investors Service or Standard and Poor's Bond Record, and also holds a long (or short) position in the stripped coupon or residual portion of such debt instruments, the margin required shall be the greater of the margin required on the long (or short) position and the margin required on the short (or long) position, to a maximum 20% margin rate, provided that the margin may only be determined as aforesaid on the basis that:

(f*i*) The offset is permitted only to the extent that the market value of the two positions is equal, and no offset shall be permitted in respect of the market value of a short (or long) position which is in excess of the market value of the long (or short) position; and

(~~g~~ii) Margin required in respect of bonds or debentures issued by a corporation may only be offset against the margin required for the stripped coupon or residual portion of debt instruments of the same issuer, which mature within the same periods referred to in Regulation 100.2(a)(xi) for the purpose of determining margin rates.

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Chapter 25

Other Information

25.1 Approvals

25.1.1 OFM Funds Group Inc. - s. 213(3)(b) of the LTCA

Headnote

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

Statutes Cited

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

December 18, 2007

McMillan Binch Mendelsohn LLP

1000 Sherbrooke Street West
Suite 2700
Montreal, Quebec
H3A 3G4

Attention: Larry Markowitz

Dear Sirs/Medames:

**Re: OFM Funds Group Inc. (the “Applicant”)
Application pursuant to clause 213(3)(b) of the
Loan and Trust Corporations Act (Ontario) for
approval to act as trustee
Application No. 2007/1013**

Further to your application dated November 26, 2007, as supplemented by correspondence dated December 10, 2007 (collectively, the “Application”) filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of The Strategic Retirement Fund and such other trusts as the Applicant may establish from time to time, will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction or a bank listed in Schedule I, II or III of the Bank Act (Canada) or an affiliate of such bank or trust company, the Ontario Securities Commission (the “Commission”) makes the following order.

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of The Strategic Retirement Fund and such other trusts which may be established and managed by the Applicant from time to time, the securities

of which will be offered pursuant to a prospectus exemption.

Yours truly,

“Robert L. Shirriff”

“David L. Knight”

25.1.2 FaithLife Investment Management Inc. - s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with prior track record acting as trustee, for approval to act as trustee of pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

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

December 18, 2007

Fogler, Rubinoff LLP
95 Wellington Street West
Suite 1200
Toronto-Dominion Centre
Toronto, ON
M5J 2Z9

Attention: Eric Roblin

Dear Sirs/Mesdames:

**Re: FaithLife Investment Management Inc. (the "Applicant")
Application pursuant to clause 213(3)(b) of the Loan and Trust Corporations Act (Ontario) for approval to act as trustee
Application No. 2007/1049**

Further to your application dated December 4, 2007 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of the Bodnar Canadian Equity Fund, the Bodnar Fixed Income Fund and the Bodnar Money Market Fund (together, the "Funds") will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction or a bank listed in Schedule I, II or III of the Bank Act (Canada) or an affiliate of such bank or trust company, the Ontario Securities Commission (the "Commission") makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Funds, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Robert L. Shirriff"

"David L. Knight"

25.1.3 Secutor Capital Management Corporation - s. 213(3)(b) of the LTCA

Headnote

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

Statutes Cited

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

November 9, 2007

Heenan Blaikie LLP
200 Bay Street, Suite 2600
Toronto, Ontario M5H 2J4

Attention: Sonia Yung

Dear Sirs/Mesdames:

**Re: Secutor Capital Management Corporation (the "Applicant")
Application pursuant to clause 213(3)(b) of the Loan and Trust Corporations Act (Ontario) for approval to act as trustee
Our File No. 2007/0791**

Further to your application dated September 24, 2007 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application, and the representation by the Applicant that the assets of Secutor Founders Fund and such other funds (the "Funds") as the Applicant may establish from time to time will be held in the custody of a bank listed in Schedule I, II or III of the *Bank Act* (Canada) or an affiliate of such bank, the Ontario Securities Commission (the "Commission") makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Funds that may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Carol S. Perry"

"David L. Knight"

25.1.4 Investeco Financial Corp. - s. 213(3)(b) of the LTCA

Headnote:

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

Statutes Cited

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

October 26, 2007

McCarthy Tétrault LLP
Suite 4700
Toronto Dominion Bank Tower
Toronto, Ontario M5K 1E6

Attention: Katherine Gurney

Dear Sirs/Mesdames:

Re: Investeco Financial Corp. (the "Applicant")
Application pursuant to clause 213(3)(b) of the
***Loan and Trust Corporations Act* (Ontario) for**
approval to act as trustee
Our File No. 2007/0728

Further to your application dated August 30, 2007 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application, and the representation by the Applicant that the assets of Investeco Global Environmental Sectors Fund and such other funds as the Applicant may establish from time to time will be held in the custody of a bank listed in Schedule I, II or III of the *Bank Act* (Canada) or an affiliate of such bank, the Ontario Securities Commission (the "Commission") makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Funds that may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Robert L. Shirriff"

"Lawrence E. Ritchie"

25.1.5 Mountainview Asset Management Inc. - s. 213(3)(b) of the LTCA

Headnote

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

Statutes Cited

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

November 23, 2007

Ogilvy Renault LLP
Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street
Toronto, Ontario M5J 2Z4

Attention: Aglaya Redekopp

Dear Sirs/Mesdames:

Re: Mountainview Asset Management Inc. (the
"Applicant")
Application pursuant to clause 213(3)(b) of the
***Loan and Trust Corporations Act* (Ontario) for**
approval to act as trustee
Our File No. 2007/0884

Further to your application dated October 18, 2007 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application, and the representation by the Applicant that the assets of such funds as the Applicant may establish from time to time (together, the "Funds") will be held in the custody of a bank listed in Schedule I, II or III of the *Bank Act* (Canada) or an affiliate of such bank, the Ontario Securities Commission (the "Commission") makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Funds that may be managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"David L. Knight"

"Margot C. Howard"

**25.1.6 Kyoto Planet Asset Management Inc. - s.
213(3)(b) of the LTCA**

Headnote

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

Statutes Cited

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

November 30, 2007

McMillan Binch Mendelsohn LLP

181 Bay Street, Suite 4400
Toronto, Ontario M5J 2T3

Attention: Michael Burns

Dear Sirs/Mesdames:

**Re: Kyoto Planet Asset Management Inc. (the
"Applicant")
Application pursuant to clause 213(3)(b) of the
Loan and Trust Corporations Act (Ontario) for
approval to act as trustee
Our File No. 2007/0822**

Further to your application dated October 2, 2007 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application, and the representation by the Applicant that the assets of Kyoto Planet Fund and such other funds as the Applicant may establish from time to time (together, the "Funds") will be held in the custody of a bank listed in Schedule I, II or III of the *Bank Act* (Canada) or an affiliate of such bank, the Ontario Securities Commission (the "Commission") makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Funds that may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"James E. A. Turner"

"Wendell S. Wigle"

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