

The Ontario Securities Commission

OSC Bulletin

March 7, 2008

Volume 31, Issue 10

(2008), 31 OSCB

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

The Ontario Securities Commission

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

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

Published under the authority of the Commission by:

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

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

Contact Centre - Inquiries, Complaints:
Market Regulation Branch:
Compliance and Registrant Regulation Branch
 - Compliance:
 - Registrant Regulation:
Corporate Finance Branch
 - Team 1:
 - Team 2:
 - Team 3:
 - Insider Reporting:
 - Mergers and Acquisitions:
Enforcement Branch:
Executive Offices:
General Counsel's Office:
Office of the Secretary:

Fax: 416-593-8122
Fax: 416-595-8940
Fax: 416-593-8240
Fax: 416-593-8283
Fax: 416-593-8244
Fax: 416-593-3683
Fax: 416-593-8252
Fax: 416-593-3666
Fax: 416-593-8177
Fax: 416-593-8321
Fax: 416-593-8241
Fax: 416-593-3681
Fax: 416-593-2318



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

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

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

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

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

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

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

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

Claims from *bona fide* subscribers for missing issues will be honoured by Carswell up to one month from publication date.

Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

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

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

© Copyright 2008 Ontario Securities Commission
ISSN 0226-9325
Except Chapter 7 ©CDS INC.



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

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

Table of Contents

<p>Chapter 1 Notices / News Releases2765</p> <p>1.1 Notices2765</p> <p>1.1.1 Current Proceedings Before The Ontario Securities Commission 2765</p> <p>1.1.2 CSA Staff Notice 12-307 - Applications for a Decision that an Issuer is not a Reporting Issuer (First published September 12, 2003 and revised February 4, 2005, November 1, 2006 and March 7, 2008) 2770</p> <p>1.1.3 Notice of Ministerial Approval of NI 41-101 General Prospectus Requirements, OSC Rule 41-801 Implementing National Instrument 41-101 General Prospectus Requirements, and Related Amendments..... 2778</p> <p>1.2 Notices of Hearing..... (nil)</p> <p>1.3 News Releases2781</p> <p>1.3.1 Canadian Regulators Propose Enhancements to Registration Regime 2781</p> <p>1.4 Notices from the Office of the Secretary2782</p> <p>1.4.1 Franklin Danny White et al. 2782</p> <p>1.4.2 Swift Trade Inc. and Peter Beck 2783</p> <p>1.4.3 Sunwide Finance Inc. et al. 2783</p> <p>Chapter 2 Decisions, Orders and Rulings2785</p> <p>2.1 Decisions2785</p> <p>2.1.1 Sprott Asset Management Inc. and Sprott Global Equity Fund - MRRS Decision 2785</p> <p>2.1.2 Independent Financial Brokers of Canada and Goodman and Company, Investment Counsel Ltd. - MRRS Decision 2786</p> <p>2.1.3 Trident Performance Corp. - MRRS Decision 2789</p> <p>2.1.4 Canadex Resources Limited - MRRS Decision 2793</p> <p>2.1.5 SEI Investments Canada Company et al. - MRRS Decision 2794</p> <p>2.1.6 Thales - MRRS Decision 2798</p> <p>2.1.7 Lang Michener LLP et al. - MRRS Decision 2804</p> <p>2.2 Orders.....2808</p> <p>2.2.1 Aurion Capital Management Inc. and Aurion Investment Funds - NI 81-106 Investment Fund Continuous Disclosure, ss. 2.1(2), 17.1 2808</p> <p>2.2.2 C.A. Bancorp Canadian Realty Finance Corporation - s. 158(1.1) of the OBCA 2809</p> <p>2.2.3 Franklin Danny White et al. 2810</p> <p>2.2.4 Swift Trade Inc. and Peter Beck - s. 127 2811</p> <p>2.2.5 Sunwide Finance Inc. et al. - ss. 127(1), 127(8) 2812</p> <p>2.3 Rulings (nil)</p>	<p>Chapter 3 Reasons: Decisions, Orders and Rulings(nil)</p> <p>3.1 OSC Decisions, Orders and Rulings(nil)</p> <p>3.2 Court Decisions, Order and Rulings(nil)</p> <p>Chapter 4 Cease Trading Orders 2813</p> <p>4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders..... 2813</p> <p>4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders 2813</p> <p>4.2.2 Outstanding Management & Insider Cease Trading Orders 2813</p> <p>Chapter 5 Rules and Policies(nil)</p> <p>Chapter 6 Request for Comments(nil)</p> <p>Chapter 7 Insider Reporting 2815</p> <p>Chapter 8 Notice of Exempt Financings..... 2947</p> <p>Reports of Trades Submitted on Forms 45-106F1 and 45-501F1 2947</p> <p>Chapter 9 Legislation..... 2953</p> <p>9.1.1 O. Reg. 31/08, amending R.R.O. 1990, Reg. 1015 (made under the Securities Act)..... 2953</p> <p>Chapter 11 IPOs, New Issues and Secondary Financings..... 2955</p> <p>Chapter 12 Registrations..... 2963</p> <p>12.1.1 Registrants..... 2963</p> <p>Chapter 13 SRO Notices and Disciplinary Proceedings 2965</p> <p>13.1.1 Notice and Request for Comments - Joint Application of CIPF and the IDA..... 2965</p> <p>13.1.2 MFDA Hearing Panel Issues Decision and Reasons Respecting Paul Edward Lloyd Disciplinary Hearing 2995</p> <p>Chapter 25 Other Information 2997</p> <p>25.1 Approvals</p> <p>25.1.1 Northwater Fund Management Inc. - s. 213(3)(b) of the LTCA 2997</p> <p>Index..... 2999</p>
---	---

Chapter 1

Notices / News Releases

1.1 Notices

SCHEDULED OSC HEARINGS

1.1.1 Current Proceedings Before The Ontario Securities Commission

MARCH 7, 2008

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
Suite 1700, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

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

CDS

TDX 76

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

THE COMMISSIONERS

W. David Wilson, Chair	—	WDW
James E. A. Turner, Vice Chair	—	JEAT
Lawrence E. Ritchie, Vice Chair	—	LER
Paul K. Bates	—	PKB
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

March 18, 2008		Franklin Danny White, Naveed Ahmad Qureshi, WNBC The World Network Business Club Ltd., MMCL Mind Management Consulting, Capital Reserve Financial Group, and Capital Investments of America
	3:00 p.m.	

s. 127

C. Price in attendance for Staff

Panel: LER

March 19, 2008		Al-tar Energy Corp., Alberta Energy Corp., Drago Gold Corp., David C. Campbell, Abel Da Silva, Eric F. O'Brien and Julian M. Sylvester
	10:00 a.m.	

s. 127 & 127.1

M. Boswell in attendance for Staff

Panel: JEAT

March 25, 2008		MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric
	9:30 a.m.	

s. 127 & 127(1)

D. Ferris in attendance for Staff

Panel: WSW/DLK

March 25, 2008		Xi Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith
	10:00 a.m.	

s. 127

M. Vaillancourt in attendance for Staff

Panel: JEAT

Notices / News Releases

March 25, 2008 10:00 a.m.	Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels s. 127(1) & 127(5) M. Vaillancourt in attendance for Staff Panel: JEAT	March 31, 2008 10:00 a.m.	Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans s. 127 & 127(1) J. Corelli in attendance for Staff Panel: WSW/DLK/KJK
March 27, 2008 10:00 a.m.	Jose Castaneda s. 127 and 127.1 H. Craig in attendance for Staff Panel: WSW/ST	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
March 28, 2008 10:00 a.m.	Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulbee and Peter Y. Atkinson s.127 J. Superina in attendance for Staff Panel: LER/MCH	March 31, 2008 2:00 p.m.	Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman s. 127(7) and 127(8) M. Boswell in attendance for Staff Panel: JEAT
March 28, 2008 10:00 a.m.	Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries s. 127 & 127.1 J. S. Angus in attendance for Staff Panel: JEAT/ST	April 1, 2008 2:30 p.m.	Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman s. 127 H. Craig in attendance for Staff Panel: PJL/ST
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	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

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: LER/ST	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 15, 2008 2:30 p.m.	FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun s. 127 M. Mackewn 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: JEAT/ST
April 16, 2008 10:00 a.m.	Swift Trade Inc. and Peter Beck s. 127 E. Cole in attendance for Staff Panel: TBA	June 24, 2008 2:30 p.m.	Stanton De Freitas s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
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	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.	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		

Notices / News Releases

July 22, 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	TBA	Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels
	s. 127		s. 127 and 127.1
	C. Price in attendance for Staff		D. Ferris in attendance for Staff
	Panel: JEAT/MCH		Panel: JEAT/ST
September 3, 2008 10:00 a.m.	Shane Suman and Monie Rahman	TBA	Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony
	s. 127 & 127(1)		s. 127 and 127.1
	J. Corelli/C. Price in attendance for Staff		H. Craig in attendance for Staff
	Panel: TBA		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	TBA	John Alexander Cornwall, Kathryn A. Cook, David Simpson, Jerome Stanislaus Xavier, CGC Financial Services Inc. and First Financial Services
	s. 127		s. 127 and 127.1
	E. Cole in attendance for Staff		S. Horgan in attendance for Staff
	Panel: TBA		Panel: RLS/DLK/MCH
TBA	Yama Abdullah Yaqeen		
	s. 8(2)		
	J. Superina in attendance for Staff		
	Panel: TBA		
TBA	Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell		
	s. 127		
	J. Waechter in attendance for Staff		
	Panel: TBA		
TBA	Frank Dunn, Douglas Beatty, Michael Gollogly		
	s.127		
	K. Daniels in attendance for Staff		
	Panel: TBA		

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

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

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

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

Euston Capital Corporation and George Schwartz

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

Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung, Christine Pan, Gurdip Singh Gahunia

1.1.2 CSA Staff Notice 12-307 - Applications for a Decision that an Issuer is not a Reporting Issuer (First published September 12, 2003 and revised February 4, 2005, November 1, 2006 and March 7, 2008)

CSA STAFF NOTICE 12-307

APPLICATIONS FOR A DECISION THAT AN ISSUER IS NOT A REPORTING ISSUER

(First published September 12, 2003 and revised February 4, 2005, November 1, 2006 and March 7, 2008)

Purpose

This Notice provides information and guidance on coordinated review applications that may be made under National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (NP 11-203) for a decision that an issuer is not a reporting issuer (a decision) on or after March 17, 2008 (these applications were previously made under National Policy 12-201 *Mutual Reliance Review System for Exemptive Relief Applications*). Among other things, this Notice covers:

- how an issuer can apply for a decision under a simplified procedure if it meets certain conditions.
- how an issuer can apply for a decision if it is not eligible to use the simplified procedure.
- how an issuer can describe the decision it wants in way that addresses legislative differences between jurisdictions.
- how a foreign issuer with a small securityholder presence in Canada can apply for a decision.
- the procedure for dissolved issuers.

The Simplified Procedure

The local securities regulatory authority or regulator in each of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador (the Jurisdictions) has adopted a simplified procedure for certain coordinated review applications (NP 11-203 describes the process for a coordinated review application) in which an issuer is seeking a decision that it is not a reporting issuer under the securities legislation of the Jurisdictions (the Legislation).

The simplified procedure is available to a reporting issuer:

- that is not a reporting issuer in British Columbia (including an issuer that has voluntarily surrendered its reporting issuer status under British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*);
- that is seeking a decision that it is not a reporting issuer, from the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions in which it is a reporting issuer;
- whose outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;
- whose securities are not traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*; and
- that is not in default of any of its obligations under the Legislation as a reporting issuer.

The reporting issuer may request a decision by submitting, to each of the Jurisdictions in which it is seeking the decision, the fees applicable under the Legislation, a draft decision document and a letter in duplicate prepared by or on behalf of the issuer that:

- states that the issuer is seeking a decision of the Decision Makers that it is not a reporting issuer;
- references the simplified procedure in this Notice; and
- includes representations that the applicant meets each of the criteria set out in the simplified procedure in this Notice.

Schedule 1 includes a sample application letter and form of decision document. In some cases, staff may request additional information from the reporting issuer. The reporting issuer should make its application in paper and electronic format as described in section 5.5 of NP 11-203.

The procedure will simplify the process in certain routine circumstances for a reporting issuer submitting a coordinated review application under NP 11-203 for decision that it is not a reporting issuer.

Applying for relief in British Columbia

The simplified procedure is not available in British Columbia. If a reporting issuer has no more than 50 securityholders (both debt and equity) and its securities are not traded through any exchange or market, it may surrender its status as a reporting issuer in that province by filing with the British Columbia Securities Commission the notice described in British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*. The issuer would then apply for relief in other jurisdictions using the simplified procedure under this Notice.

What to do when the simplified procedure in this Notice and BC Instrument 11-502 is not available

If an issuer cannot meet all of the simplified procedure criteria in this Notice or in BC Instrument 11-502 (if the issuer is a reporting issuer in British Columbia), the issuer should submit an application under the standard procedure for a coordinated review application under NP 11-203 using the form of decision document attached as Annex C to NP 11-203. The reporting issuer should submit its application to each jurisdiction where the issuer is a reporting issuer.

An issuer wanting to avoid the minimum 10-day waiting period under BC Instrument 11-502 (which is a condition precedent to the other jurisdictions making a decision under the simplified procedure) should follow the standard procedure for a coordinated review application.

How to describe the decision the issuer wants

The legislation varies among the jurisdictions in how it authorizes regulators to terminate reporting issuer status. An issuer should include the language in the legislation of its principal regulator in its draft decision document. Where Québec is not the principal regulator and the issuer requires a decision in Québec, the issuer should also include the wording "revoke the issuer's status as a reporting issuer" in its draft decision document if the language in the legislation of the principal regulator uses the phrase "ceased to be a reporting issuer". The form of decision document in Schedule 1 to this Notice sets out the applicable language for each principal regulator.

The Territories

The concept of reporting issuer does not currently exist in the securities legislation of the Northwest Territories, Nunavut and Yukon, so no relief is currently necessary in those jurisdictions. However, those jurisdictions plan to amend their legislation in 2008 to include the concept of reporting issuer and then adopt the simplified procedure for relief in their jurisdictions.

Going-private transactions

Where the issuer is in the process of completing a going-private transaction following which it will want to stop being a reporting issuer, the issuer may apply for relief using the simplified process in this Notice prior to completing the transaction. A jurisdiction cannot make a decision until the transaction is complete and the issuer can represent that it has satisfied all the criteria in for the simplified procedure.

Successor reporting issuers

In circumstances where an issuer has exchanged its securities with another party (or that party's securityholders) in connection with a statutory arrangement or procedure, the issuer should consider whether any other party in the transaction will or has become a reporting issuer following the exchange. If so, the issuer should disclose the name of that party in its application to stop being a reporting issuer and provide a brief summary of the statutory arrangement or procedure and the parties involved.

Foreign issuers

Foreign-incorporated issuers often seek decisions that they are not reporting issuers under applicable securities legislation when they have a declining numbers of securityholders in Canada. In general, these issuers do not meet the criteria for the simplified procedure in this Notice because they typically have many beneficial securityholders in jurisdictions in Canada, and their securities are listed on one or more exchanges outside of Canada. However, they wish to cease being reporting issuers in Canada because their securities are not listed on an exchange in Canada and they do not intend to make any further distributions of securities in Canada.

Past approach

In the past, CSA staff have recommended a decision that a foreign issuer is not a reporting issuer where the issuer could demonstrate that Canadian ownership of its securities is *de minimis* compared to the total ownership by non-Canadian securityholders. In past decisions, this has been demonstrated when an issuer had:

- fewer than 300 beneficial securityholders in Canada, and
- a small percentage of total securityholdings beneficially owned by Canadian residents.

Modified approach

We have adopted a modified approach for applications by issuers that report in the U.S. and are listed on a U.S. exchange. If such an issuer meets the following criteria, CSA staff will generally recommend a decision that the issuer is not a reporting issuer:

1. The issuer makes a representation that residents of Canada do not:
 - (a) directly or indirectly beneficially own more than 2% of each class or series of outstanding securities of the issuer worldwide, and
 - (b) directly or indirectly comprise more than 2% of the total number of securityholders of the issuer worldwide.

CSA staff have noticed that some filers have difficulty making representations on the beneficial ownership of securities by residents of Canada. CSA staff will not generally recommend granting the relief without the issuer satisfying the "2% test". In addition, staff will not generally recommend granting the relief where a representation is qualified or limited to the knowledge of the issuer, unless the issuer can fully demonstrate that it has made diligent enquiry to support the representation and why it cannot give an unqualified representation.

2. The issuer files continuous disclosure reports under U.S. securities laws and is listed on a U.S. exchange.
3. In the 12 months before applying for the decision, the issuer has not taken any steps that indicate there is a market for its securities in Canada. Steps that would indicate there is a market in Canada include conducting a prospectus offering in Canada, or establishing or maintaining a listing on a Canadian marketplace or exchange.
4. The issuer provides advance notice to Canadian resident securityholders in a press release that it has applied to securities regulatory authorities for a decision that it is not a reporting issuer in Canada and, if that decision is made, the issuer will no longer be a reporting issuer in any jurisdiction in Canada.
5. The issuer undertakes to concurrently deliver to its Canadian securityholders, all disclosure the issuer would be required under U.S. securities law or exchange requirements to deliver to U.S. resident securityholders.

Non-U.S. issuers that are listed on a major foreign exchange and meet the 2% test may also apply using the modified approach, provided that the issuer demonstrates that Canadian securityholders will receive adequate disclosure under the foreign securities law or exchange requirements.

Reporting issuer that has been dissolved or terminated

A reporting issuer does not need to apply for a decision that it is not a reporting issuer if it is:

- a corporation that was dissolved under applicable corporate legislation,
- a limited partnership that was dissolved under applicable limited partnership legislation,
- a trust that was terminated under its declaration of trust, or
- another form of business organization that was dissolved or terminated under its applicable governing legislation or constating or establishing document.

In each case, it will be sufficient if an agent files evidence of the dissolution or termination with the securities regulatory authority in each jurisdiction where the issuer was a reporting issuer.

For a corporation, sufficient evidence includes a copy of the certificate and articles of dissolution.

For a limited partnership, sufficient evidence typically includes:

- a copy of the declaration of dissolution or similar document filed under applicable limited partnership legislation, and
- a written representation from the general partner about the effective date of dissolution under applicable limited partnership legislation.

For a trust, sufficient evidence typically includes:

- a copy of the resolution authorizing the termination of the trust,
- a report on voting results indicating that the resolution was passed,
- a written representation that the trust no longer exists (it is sufficient if this representation is provided by filing counsel or former trustees or officers),
- a copy of the change in corporate structure notice filed under section 4.9 of National Instrument 51-102 *Continuous Disclosure Obligations*, and
- evidence such as a copy of a press release or written submission from filing counsel that the trust has no securities outstanding and none listed on an exchange.

If an issuer has commenced dissolution proceedings but still exists, it will remain a reporting issuer in the absence of a decision that it is not a reporting issuer.

For more information

If you have questions about this Notice, please contact:

Noreen Bent
British Columbia Securities Commission
(604) 899-6741 or (800) 373-6393 (in B.C.)
nbent@bcsc.bc.ca

Ian Kerr
Alberta Securities Commission
(403) 297-4225
ian.kerr@seccom.ab.ca

Dean Murrison
Saskatchewan Financial Services Commission
(306) 787-5879
dmurrison@sfsc.gov.sk.ca

Chris Besko
The Manitoba Securities Commission
(204) 945-2561
cbesko@gov.mb.ca

Michael Bennett
Ontario Securities Commission
(416) 593-8079
mbennett@osc.gov.on.ca

Sarah Oseni
Ontario Securities Commission
(416) 593-8138
soseni@osc.gov.on.ca

Sylvie Lalonde
Autorité des marchés financiers
Telephone: (514) 395-0337 ext. 4398
e-mail: sylvie.lalonde@lautorite.qc.ca

Marie-Christine Barrette
Autorité des marchés financiers
(514) 395-0337 ext. 4401
marie-christine.barrette@lautorite.qc.ca

Susan Powell
New Brunswick Securities Commission
(506) 643-7697
susan.powell@nbsc-cvmnb.ca

Shirley Lee
Nova Scotia Securities Commission
(902) 424-5441
leesp@gov.ns.ca

March 7, 2008

Schedule 1

Example of an Application Letter under the Simplified Procedure

[Enter date]

[List name of the principal regulator
and each non-principal regulator]

Dear Sirs/Mesdames:

Re: [Enter name of applicant] (the Applicant) - application for a decision under the securities legislation of [list the jurisdictions] (the Jurisdictions) that the Applicant is not a reporting issuer

We are applying to the [identify principal regulator] as principal regulator [on behalf of the Applicant] for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

Under the simplified procedure in CSA Staff Notice 12-307, the Applicant represents that:

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer 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 a decision that it is not 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.

[Enter name of Applicant]

[Signature of the person who has signing authority]

Example of a Decision Document under the Simplified Procedure

[Enter date]

[Enter name and address of Applicant]

Dear Sirs/Mesdames:

Re: [Enter name of applicant] (the Applicant) - application for a decision under the securities legislation of [list the jurisdictions] (the Jurisdictions) that the Applicant is not a reporting issuer

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 that the Applicant is not a reporting issuer.

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 fewer than 15 security holders in each of the jurisdictions in Canada and fewer 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 a decision that it is not 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,

[If the principal regulator is Ontario, insert:]

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.

OR

[If the principal regulator is Saskatchewan or New Brunswick, insert:]

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 to be a reporting issuer.

OR

[If the principal regulator is Alberta or Nova Scotia, insert:]

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer **[if a decision is also sought in Quebec, add:]** and that the Applicant's status as a reporting issuer is revoked.

OR

[If the principal regulator is Manitoba, insert:]

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 makes an order declaring that the Applicant has ceased to be a reporting issuer **[if a decision is also sought in Quebec, add:]** and revoking the Applicant's status as a reporting issuer.

OR

[If principal regulator is Quebec, insert:]

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's status as a reporting issuer is revoked.

_____ (Name of signatory for the principal regulator)

_____ (Title)

_____ (Name of principal regulator)

1.1.3 Notice of Ministerial Approval of NI 41-101 General Prospectus Requirements, OSC Rule 41-801 Implementing National Instrument 41-101 General Prospectus Requirements, and Related Amendments

NOTICE OF MINISTERIAL APPROVAL OF
NATIONAL INSTRUMENT 41-101 *GENERAL PROSPECTUS REQUIREMENTS,*
ONTARIO SECURITIES COMMISSION RULE 41-801
IMPLEMENTING NATIONAL INSTRUMENT 41-101 GENERAL PROSPECTUS REQUIREMENTS
AND CONSEQUENTIAL AMENDMENTS

AND

AMENDMENTS TO

NATIONAL INSTRUMENT 14-101 *DEFINITIONS,*
NATIONAL INSTRUMENT 44-101 *SHORT FORM PROSPECTUS DISTRIBUTIONS,*
NATIONAL INSTRUMENT 44-102 *SHELF DISTRIBUTIONS,*
NATIONAL INSTRUMENT 44-103 *POST-RECEIPT PRICING,*
FORM 45-101F *INFORMATION REQUIRED IN A RIGHTS OFFERING CIRCULAR*
OF NATIONAL INSTRUMENT 45-101 RIGHTS OFFERINGS,
NATIONAL INSTRUMENT 51-102 *CONTINUOUS DISCLOSURE OBLIGATIONS,*
NATIONAL INSTRUMENT 81-101 *MUTUAL FUND PROSPECTUS DISCLOSURE,*
NATIONAL INSTRUMENT 81-104 *COMMODITY POOLS,*
ONTARIO SECURITIES COMMISSION RULE 13-502 *FEEES,*
ONTARIO SECURITIES COMMISSION RULE 56-501 *RESTRICTED SHARES*

AND

ONTARIO SECURITIES COMMISSION RULE 71-801
IMPLEMENTING THE MULTIJURISDICTIONAL DISCLOSURE SYSTEM

On February 15, 2008, the Minister of Finance approved the following rules made by the Ontario Securities Commission (the Rules and Amendments):

- National Instrument 41-101 *General Prospectus Requirements* (NI 41-101), Form 41-101F1 *Information Required in a Prospectus* and Form 41-101F2 *Information Required in an Investment Fund Prospectus*,
- Ontario Securities Commission Rule 41-801 *Implementing National Instrument 41-101 General Prospectus Requirements and Consequential Amendments* (OSC Rule 41-801),
- Amendments to National Instrument 14-101 *Definitions*,
- Amendments to National Instrument 44-101 *Short Form Prospectus Distributions* and Form 44-101F1 *Short Form Prospectus*,
- Amendments to National Instrument 44-102 *Shelf Distributions*,
- Amendments to National Instrument 44-103 *Post-Receipt Pricing*,
- Amendments to Form 45-101F *Information Required in a Rights Offering Circular* of National Instrument 45-101 *Rights Offerings*,

- Amendments to National Instrument 51-102 *Continuous Disclosure Obligations*, Form 51-102F2 *Annual Information Form* and Form 51-102F5 *Information Circular*,
- Amendments to National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (NI 81-101), Form 81-101F1 *Contents of Simplified Prospectus* and Form 81-101F2 *Contents of Annual Information Form*,
- Amendments to National Instrument 81-104 *Commodity Pools*,
- Amendments to Ontario Securities Commission Rule 13-502 *Fees*,
- Amendments to Ontario Securities Commission Rule 56-501 *Restricted Shares*,
- Amendments to Rule 71-801 *Implementing the Multijurisdictional Disclosure System*, and
- Repeal of Ontario Securities Commission Rule 44-801 *Implementing National Instrument 44-101 Short Form Prospectus Distributions*

National Instrument 41-101 *Prospectus Disclosure Requirements*, which came into force on December 31, 2000, is repealed pursuant to section 20.3 of NI 41-101.

Ontario Securities Commission Rule 41-501 *General Prospectus Requirements* and Ontario Securities Commission Rule 41-502 *Prospectus Requirements for Mutual Funds*, are repealed pursuant to sections 3.1 and 3.2, respectively, of OSC Rule 41-801.

The Rules and Amendments were previously made by the Commission on November 29, 2007. On November 29, the Commission also adopted the following policies (the Policies and Policy Amendments):

- Companion Policy 41-101CP *General Prospectus Requirements*,
- Companion Policy 44-101CP to National Instrument 44-101 *Short Form Prospectus Distributions*,
- Amendments to Companion Policy 44-102CP to National Instrument 44-102 *Shelf Distributions*,
- Amendments to Companion Policy 44-103CP to National Instrument 44-103 *Post-Receipt Pricing*,
- Amendments to Companion Policy 51-102CP to National Instrument 51-102 *Continuous Disclosure Obligations*,
- Amendments to Companion Policy 81-101CP to National Instrument 81-101 *Mutual Fund Prospectus Disclosure*,
- Amendments to Companion Policy 81-104CP to National Instrument 81-104 *Commodity Pools*, and
- Amendments to National Policy 12-202 *Revocation of a Compliance-related Cease Trade Order*

The Rules and Amendments and the Policies and Policy Amendments have an effective date of **March 17, 2008**. The Rules and Amendments and the Policies and Policy Amendments were previously published in a Supplement to the Bulletin on December 21, 2007 and are published in a Supplement to this Bulletin. The other CSA jurisdictions have subsequently made changes to provisions of NI 41-101 and the amendments to NI 81-101 that do not apply in Ontario regarding the timing for refilling a prospectus. We have reflected these changes in this publication.

The Commission also rescinded the following policies effective **March 17, 2008**:

- National Policy 14 *Acceptability of Currencies in Material Filed with Securities Regulatory Authorities*,
- National Policy 21 *National Advertising – Warnings*,
- Companion Policy 41-501CP *General Prospectus Requirements*,
- Companion Policy 41-502CP *Prospectus Requirements for Mutual Funds*,
- Ontario Securities Commission Policy 47-601 *Advertising During the Waiting Period Between Preliminary and Final Prospectuses*,

- Ontario Securities Commission Policy 5.1 *Prospectuses – General Guidelines*,
- Ontario Securities Commission Policy 5.3 *Mortgage and Real Estate Investment Trusts and Partnerships*,
- Ontario Securities Commission Policy 5.4 *“Closed-End” Income Investment Trusts and Partnerships (Other Than Mortgage and Real Estate Investment Trusts and Partnerships)*, and
- Ontario Securities Commission Policy 5.7 *Preliminary Prospectuses – Preparation, Filing and Frequently Occurring Deficiencies*

We are also withdrawing the following notices, effective **March 17, 2008**:

- CSA Staff Notice 42-303 *Prospectus Requirements*,
- CSA Staff Notice 44-301 *Frequently Asked Questions Regarding the New Prospectus Rules*,
- Canadian Securities Administrators' Notice 3 *Pre-Marketing Activities in the Context of Bought Deals*,
- Ontario Securities Commission Staff Notice 43-701 *Regarding National Instrument 43-101*,
- Ontario Securities Commission Staff Notice 43-702 *Review Time Frames for “Equity Line” Short Form Prospectuses*,
- Ontario Securities Commission Notice 46-701 *Use of “Special Warrants” in Connection with Distributions of Securities by Prospectus*,
- Ontario Securities Commission Notice 47-701 *Advertising and Use of Marketing Material During the Waiting Period*,
- Ontario Securities Commission Notice 47-702 *Contemporaneous Private Placements and Public Offerings and Media Coverage Prior to the Commencement of the Waiting Period*,
- Ontario Securities Commission Notice 47-703 *Media Articles Appearing During the Waiting Period*,
- Ontario Securities Commission Notice 47-704 *Pre-Marketing Activities in the Context of Bought Deals*,
- Ontario Securities Commission Staff Notice 81-707 *Labour Sponsored Investment Funds – Summary Disclosure of Fees, Expenses and Annual Performance Information in Prospectuses of LSIFs; and the Payment of Sales and Trailing Commissions Out of Fund Assets*, and
- Ontario Securities Commission Notice 20 *Selective Review of Prospectuses and other Documents (“Selective Review System”)*

On February 15, 2008, the Minister of Finance also approved a regulation (the Regulation) revoking certain provisions of Regulation 1015 of the Revised Regulations of Ontario, 1990 made under the *Securities Act* in connection with the Rules and Amendments. The Regulation was filed as O. Reg. 31/08 on February 21, 2008 and is expected to be published in The Ontario Gazette on March 8, 2008. The Regulation is also published in Chapter 9 of this Bulletin. The Regulation will come into force on March 17, 2008 when the Rules and Amendments come into force.

March 7, 2008

1.3 News Releases

1.3.1 Canadian Regulators Propose Enhancements to Registration Regime

FOR IMMEDIATE RELEASE
February 29, 2008

**CANADIAN REGULATORS PROPOSE
ENHANCEMENTS TO REGISTRATION REGIME**

Toronto – The Canadian Securities Administrators (CSA) announced today they are seeking comments on a revised draft of proposed National Instrument 31-103 *Registration Requirements* and related documents.

When the Rule was first published in February 2007, the CSA actively sought input from stakeholders by way of extensive consultations across Canada, as well as in New York. As a result, the CSA received more than 260 comment letters. The amendments to the proposed Rule address many of the issues raised by stakeholders, and reflect responses to specific questions posed by the CSA in the 2007 proposal.

“We received a tremendous amount of detailed and thoughtful input from stakeholders following the initial publication of the proposed Rule in February 2007,” said Jean St-Gelais, Chair of the CSA and President & Chief Executive Officer of the Autorité des marchés financiers (Québec). “As a result, we are proposing revisions that will further strengthen the proposed Rule and result in regulatory efficiencies for many market participants.”

The proposed Rule benefits investors by requiring registration of investment fund managers, setting out higher proficiency requirements for representatives and introducing requirements for complaint handling and dispute resolution. Additionally, it includes revisions to the proposed regulatory framework governing exempt market dealers.

“We are committed to getting this rule right, not only for market participants, but, most importantly, for the benefit of investors across the country” said Mr. St-Gelais. The proposed Rule harmonizes registration requirements that currently exist in various acts, rules, regulations, notices and practices across the CSA into a single national instrument. Benefits of the proposed registration regime include the:

- harmonization of individual and firm registration categories, fit and proper requirements, conduct requirements and exemptions, creating efficiencies for regulators, the National Registration Database and industry;
- reduction in regulatory burden through adoption of a permanent registration regime and streamlined transfer procedures; and

- introduction of a business trigger for dealing activity which focuses registration on those who are more likely to present regulatory risk, and eliminating the need for certain complex exemptions.

Proposed National Instrument 31-103 *Registration Requirements*, the proposed Consequential Amendments and Companion Policy, the CSA Notice and Request for Comments, and a summary of comments received on the 2007 proposal are available on various CSA members' websites. The comment period is open until May 29, 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.

For more information:

Laurie Gillett
Ontario Securities Commission
416-595-8913

Barbara Shourounis
Saskatchewan Financial Services Commission
306-787-5842

Frédéric Alberro
Autorité des marchés financiers
514-940-2176

Andrew Poon
British Columbia Securities
Commission
604-899-6880

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

Mark Dickey
Alberta Securities Commission
403-297-4481

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Jane Gillies
New Brunswick Securities Commission
506 643-7745

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

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

Louis Arki
Nunavut Securities Registry
867-975-6587

Donald MacDougall
Securities Registry
Northwest Territories
867-920-8984

Fred Pretorius
Yukon Securities Registry
867-667-5225

1.4 Notices from the Office of the Secretary

1.4.1 Franklin Danny White et al.

**FOR IMMEDIATE RELEASE
February 29, 2008**

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

AND

**IN THE MATTER OF
FRANKLIN DANNY WHITE,
NAVEED AHMAD QURESHI,
WNBC THE WORLD NETWORK
BUSINESS CLUB LTD.,
MMCL MIND MANAGEMENT CONSULTING,
CAPITAL RESERVE FINANCIAL GROUP, and
CAPITAL INVESTMENTS OF AMERICA**

TORONTO – Following a hearing held yesterday in the above named matter, the Commission issued an Order adjourning the matter to March 18, 2008 at 3:00 p.m. for the purpose of scheduling hearing dates for the hearing on the merits and a pre-hearing conference.

A copy of the Order dated February 28, 2008 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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

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

1.4.2 Swift Trade Inc. and Peter Beck

FOR IMMEDIATE RELEASE
March 4, 2008

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

AND

**IN THE MATTER OF
SWIFT TRADE INC. AND PETER BECK**

TORONTO – The Commission issued an Order today which provides that, the hearing scheduled for March 5, 2008 is adjourned to April 16, 2008 at 10:00 a.m. to be spoken to, or such other date as may be agreed by the parties and fixed by the Secretary to the Commission.

A copy of the Order dated March 4, 2008 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

Carolyn Shaw-Rimington
Assistant Manager,
Public Affairs
416-593-2361

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

1.4.3 Sunwide Finance Inc. et al.

FOR IMMEDIATE RELEASE
March 4, 2008

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

AND

**IN THE MATTER OF
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**

TORONTO – Following a hearing held today, the Commission issued an Order extending the Temporary Order to July 22, 2008 in the above named matter.

This matter is set to return before the Commission on July 22, 2008 at 2:30 p.m.

A copy of the Order dated March 4, 2008 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

Carolyn Shaw-Rimington
Assistant Manager,
Public Affairs
416-593-2361

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

This page intentionally left blank

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Sprott Asset Management Inc. and Sprott Global Equity Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemptive relief granted to a mutual fund allowing a 27-day extension of the prospectus lapse date – Extension of lapse date granted to facilitate consolidation of mutual fund's prospectus with prospectus of other mutual funds under common management.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5 as am., s. 62(5).

February 28, 2008

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

AND

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

AND

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

AND

**SPROTT GLOBAL EQUITY FUND
(the Fund)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer on behalf of the Fund for a decision (the Decision) pursuant to the securities legislation of the Jurisdictions (the Legislation) that the time limits for the renewal of the simplified prospectus of the Fund dated March 30, 2007 be extended to those time limits that would

be applicable if the lapse date of the Prospectus was April 26, 2008 (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:

1. The Filer is the manager of the Fund.
2. The Fund is an open-ended mutual fund trust established under the laws of Ontario.
3. Units of the fund are currently qualified for distribution in all of the provinces and territories of Canada under the simplified prospectus of the Fund dated March 30, 2007 (the Prospectus).
4. The Fund is a reporting issuer under the Legislation. The Fund is not in default of any of the requirements of the Legislation.
5. In each province of Canada except for Newfoundland and Labrador, provided a pro forma simplified prospectus is filed 30 days prior to March 30, 2008, a final version of the simplified prospectus is filed by April 9, 2008 and a receipt for the simplified prospectus is issued by the securities regulatory authorities by April 19, 2008, the units of the Fund may be distributed without interruption throughout this prospectus renewal period.
6. The Filer is also the manager of Sprott Canadian Equity Fund, Sprott Gold and Precious Minerals Fund, Sprott Energy Fund and Sprott Growth Fund (collectively, the Other Funds) offered under a different simplified prospectus, the lapse date of which is April 26, 2008.

7. In order to reduce the cost of renewing the Prospectus for the Fund and reduce on-going printing and related costs, the Filer wishes to combine the Prospectus for the Fund with the prospectus of the Other Funds.
8. If the Requested Relief was not granted, it would be necessary to renew the Prospectus twice within a short period of time in order to consolidate the Prospectus with the prospectus of the Other Funds.
9. Since March 30, 2007, the date of the Prospectus, no undisclosed material change in respect of the Fund has occurred. Accordingly, the Prospectus continues to provide accurate information regarding the Fund. The requested extension will not affect the currency or the accuracy of the information contained in the Prospectus, and accordingly, will not be prejudicial to the public interest.

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

2.1.2 Independent Financial Brokers of Canada and Goodman and Company, Investment Counsel Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption granted to mutual fund organizations from prohibition contained in subsection 5.4(1) of National Instrument 81-105 Mutual Fund Sales Practices permitting mutual fund organizations to pay a portion of the direct costs incurred by Independent Financial Brokers of Canada in organizing conferences, seminars, courses and other educational events, provided certain conditions are met.

Applicable Legislative Provisions

National Instrument 81-105 Mutual Fund Sales Practices, ss. 5.4(1), 9.1.

February 26, 2008

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

AND

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

AND

**IN THE MATTER OF
INDEPENDENT FINANCIAL BROKERS OF CANADA**

AND

**GOODMAN AND COMPANY,
INVESTMENT COUNSEL LTD.
(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 section 9.1 of National Instrument 81-105 *Mutual Fund Sales Practices* (**NI 81-105**) exempting the Mutual Fund Organizations (as defined herein) from the prohibition in subsection 5.4(1) of NI 81-105 to permit them to pay the direct costs (as such term is defined in NI 81-105) incurred by IFB relating to a conference, seminar, course or other educational event (collectively, the **Summits**) that is organized and presented by IFB (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* or in NI 81-105 have the same meanings in this decision unless they are otherwise defined in this decision.

“Mutual Fund Organizations” shall mean a member of the organization of a mutual fund (as defined in NI 81-105) that wishes to pay the direct costs relating to a Summit organized and presented by IFB and shall include Goodman and Company, Investment Counsel Ltd., as Filer.

“IFB” shall refer to Independent Financial Brokers of Canada, as Filer.

“GCICL” shall refer to Goodman and Company, Investment Counsel Ltd., as Filer.

Representations

1. IFB is a not-for-profit industry association for financial intermediaries and advisors who sell life insurance, mutual funds and other related financial products and services. The head office of the association is located in Mississauga, Ontario. IFB has approximately 4,000 members, who reside in the Jurisdictions. IFB serves its members primarily by providing specialized and comprehensive programs of professional development in financial services. In addition, IFB advocates policy and legislation before government regulators at all levels, collaborates with other trade and industry associations in Canada, and administers a code of ethics that its members agree to abide by.
2. Members of IFB are required to hold a license to sell life insurance or certain other financial products that are ordinarily provided by life insurance companies or must be appropriately registered to sell mutual funds or other securities or provide advice with respect to mutual funds or other securities. Approximately 70 percent of IFB members are registered to sell mutual funds and other securities in one or more of the Jurisdictions. The common activity of IFB members may be described as providing financial advice to Canadians, using life and health insurance, mutual funds and other financial products to achieve financial objectives.
3. As part of its services, IFB annually arranges and holds regional Summits for its members and non-members. These Summits are usually held in

Toronto (Ontario), Calgary (Alberta), and Vancouver (British Columbia). IFB members who may be registered to trade in mutual funds in those provinces and other Jurisdictions may attend. Attendees generally earn 15 credit hours towards their annual continuing education credits through attending the Ontario Summit, 7.5 hours at the Alberta Summit and 6 hours at the British Columbia Summit. The primary purpose of the Summits is to provide educational information about financial planning, investing in securities, mutual fund industry matters, and mutual fund issues generally, and therefore complies with the requirements of paragraph 5.4(2)(a) of NI 81-105.

4. GCICL is a corporation existing under the laws of Ontario, with its head office being located in Toronto, Ontario. GCICL is the manager and principal distributor of a number of mutual funds that are qualified for distribution in each of the Jurisdictions and the other provinces and territories of Canada. Accordingly, GCICL is a member of the organization of a mutual fund family within the meaning of NI 81-105.
5. GCICL wishes to sponsor certain or all of the Summits. However, subsection 5.4(1) of NI 81-105 prohibits Mutual Fund Organizations from sponsoring the costs or expenses relating to a conference, seminar or course that is organized and presented by The Investment Funds Institute of Canada (**IFIC**), the Investment Dealers Association of Canada (**IDA**) or another trade or industry association. IFB can be considered “another trade or industry association”. Subsection 5.4(2) of NI 81-105 provides an exemption to permit members of the organization of a mutual fund to sponsor conferences, seminars or courses organized and presented by IFIC, the IDA or their respective affiliates in accordance with the conditions set out therein. No other exemption is granted to trade or industry associations such as IFB.
6. GCICL proposes to sponsor the Summits in accordance with the conditions set out in subsection 5.4(2) of NI 81-105 that are applicable to a conference organized and presented by IFIC or the IDA.
7. IFB anticipates that other Mutual Fund Organizations will similarly wish to sponsor a portion of the costs of its Summits and agree to pay such costs for such Summits on similar conditions. If the Requested Relief is granted, IFB will ensure that GCICL and other Mutual Fund Organizations sponsor the Summits in accordance with the following conditions:
 - (a) the primary purpose of a Summit will be the provision of educational information about financial planning, investing in

- | | |
|---|---|
| securities, mutual fund industry matters, and mutual fund issues generally; | "Robert L. Shirriff"
Commissioner
Ontario Securities Commission |
| (b) none of the Mutual Fund Organizations will pay in the aggregate more than ten percent of the total direct costs incurred by IFB for the organization and presentation of a Summit; | "Suresh Thakrar"
Commissioner
Ontario Securities Commission |
| (c) the selection of a representative of a participating dealer to attend any Summit will be made exclusively by the participating dealer, uninfluenced by the Mutual Fund Organizations; and | |
| (d) Summits will be held in Canada | |
- (collectively, the **Conditions**).

Decision

Each of the Decision Makers is satisfied that the test contained in NI 81-105 that provides the Decision Makers with the jurisdiction to make the decision has been met;

The decision of the Decision Makers under NI 81-105 is that the Requested Relief is granted, provided that:

- (i) the Mutual Fund Organizations and IFB comply with the Conditions;
- (ii) IFB, on behalf of each Mutual Fund Organization (other than GCICL) whose mutual funds are reporting issuers in Ontario and who wishes to sponsor a Summit in reliance on this decision, file an advance written notice with the Director of the Investment Funds Branch of the Ontario Securities Commission that:
 - a. names the Mutual Fund Organization that intends to sponsor the Summit in reliance on this decision, and
 - b. confirms that the Mutual Fund Organization has agreed to sponsor the Summit in accordance with the Conditions of this decision;
- (iii) this decision, as it relates to the Jurisdiction of a Decision Maker, will terminate in that Jurisdiction one year after the publication in final form of any legislation or rule of that Decision Maker which modifies the provisions of section 5.4 of NI 81-105 in a manner which makes the relief provided for in this decision unnecessary or provides similar relief on a different basis or subject to different conditions.

2.1.3 Trident Performance Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Revocation and replacement of prior decision granted under NI 81-106. – Prior decision granted relief from the requirement that an investment fund that uses specified derivatives must calculate its NAV daily. – Through inadvertence the Filer's final prospectus did not contain disclosure required by the prior decision. – Prior decision replaced with decision containing alternative method for providing the required disclosure.

Applicable Ontario Statutory Provisions

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

February 22, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUÉBEC, NOVA SCOTIA,
NEW BRUNSWICK, 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
TRIDENT PERFORMANCE CORP.
(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 (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that:

1. revokes a previous decision document (the **Prior Decision**) granted to the Filer on January 31, 2008 (the **Revocation Order**); and
2. exempts the Filer from the requirement contained in section 14.2(3)(b) of National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) to calculate the Filer's net asset value (**NAV**) at least once every business day (the **NAV Relief**, and together with the Revocation Order, 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:

The Filer

1. The Filer is a corporation established under the laws of Ontario. The Filer's manager is CI Investments Inc. (the **Manager**). The head office of the Manager is located in Toronto, Ontario.

The Offering

2. The Filer is making an offering (the **Offering**) to the public, on a best efforts basis, of Class A shares (**Class A Shares**), Class A share purchase warrants (**Class A Warrants**), Class F shares (**Class F Shares**) and Class F share purchase warrants (**Class F Warrants**) in each of the provinces of Canada.
3. The Class A Shares and Class A Warrants are expected to be listed and posted for trading on the Toronto Stock Exchange (the **TSX**). Conditional listing approval has been granted by the TSX to the Filer.
4. Each Class A Warrant entitles the holder to purchase one Class A Share at the subscription price of \$10.25 (the **Subscription Price**) per Class A Share on or before 4:00 p.m. (Toronto time) on a Monthly Redemption Date (as defined below) on or before February 28, 2011 (the **Expiry Time**). Each Class F Warrant entitles the holder to purchase one Class F Share at the Subscription Price on or before 4:00 p.m. on a Monthly Redemption Date on or before the Expiry Time.
5. The Filer's investment objective is to provide tax efficient risk adjusted long term rates of return by obtaining exposure to an investment portfolio which may consist of equity and fixed income securities, commodities and currencies, and derivative instruments which provide exposure to any or all of the foregoing or to general or specific

- market indices (the **Global Macroeconomic Portfolio**).
6. The Global Macroeconomic Portfolio will be acquired and held by Trident Performance Trust (the **Trust**). The Trust is an investment trust established under the laws of Ontario by CI Investments Inc. as trustee (the **Trustee**).
 7. The net proceeds of the Offering will be invested in a portfolio of common shares of Canadian public companies (the **Common Share Portfolio**). The Filer also will enter into one or more forward purchase and sale agreements (collectively, the **Forward Agreement**) with one or more Canadian chartered banks or affiliates thereof (collectively, the **Counterparty**) which will provide the Filer with exposure to the returns of the Global Macroeconomic Portfolio.
 8. Under the Forward Agreement, the Counterparty will agree to pay to the Filer on or about February 28, 2018 (the **Forward Date**), as the purchase price for the Common Share Portfolio, an amount equal to 100% of the redemption proceeds that would be paid by the Trust to holders of a reference number of units of the Trust.
 9. The Filer will partially settle the Forward Agreement prior to the Forward Date in order to fund redemptions of Class A Shares and Class F Shares (collectively, **Shares**) and for the payment of expenses of the Filer. Prior to the Forward Date, the Filer also may increase its exposure under the Forward Agreement from time to time when proceeds from the exercise of Class A Warrants or Class F Warrants (collectively, **Warrants**) are used by the Filer to purchase additional securities for the Common Share Portfolio.
 10. The Counterparty has, and will have at all times, an approved credit rating under National Instrument 81-102 *Mutual Funds*. In the event that the Counterparty ceases to have an approved credit rating, the terms of the Forward Agreement will permit the Filer to terminate the Forward Agreement.
 11. Shares will be redeemable on the last day of each month (each a **Monthly Redemption Date**). A holder of Shares of the Filer (a **Shareholder**) who properly surrenders a Share for redemption at least 20 business days prior to a Monthly Redemption Date will receive on or before the 15th business day following such Monthly Redemption Date payment of the Monthly Redemption Price per Class A Share or Monthly Redemption Price per Class F Share (as applicable and defined below) for such Share calculated by reference to the price at which Class A Shares are trading on the TSX (subject to the Filer's right to suspend redemptions in certain circumstances).
 12. The **Monthly Redemption Price per Class A Share** is the amount, if any, equal to the lesser of:
 - (a) 94% of the weighted average trading price of the Class A Shares on the TSX during the 15 trading days preceding the applicable Monthly Redemption Date, and
 - (b) the closing market price of the Class A Shares on the principal market on which the Class A Shares are quoted for trading on the applicable Monthly Redemption Date,
 less any costs associated with the redemption including, without limitation, if the Manager determines that it is not practicable or necessary for the Filer to partially settle the Forward Agreement to fund such redemption, the aggregate of all brokerage fees, commissions and other transaction costs that the Manager estimates would have resulted from such a partial settlement (**Redemption Costs**).
 13. The **Monthly Redemption Price per Class F Share** is the amount, if any, equal to the product of the Monthly Redemption Price per Class A Share and a fraction (i) the numerator of which is the most recently calculated net asset value per Class F Share and (ii) the denominator of which is the most recently calculated net asset value per Class A Share.
 14. Commencing in 2009, Shares also may be surrendered for redemption on December 31 in each year (a **December Redemption Date**). A Shareholder who properly surrenders a Share for redemption at least 20 business days prior to a December Redemption Date will receive on or before the 15th business day following such December Redemption Date payment of the Redemption Price per Class A Share or Redemption Price per Class F Share (as applicable and defined below) for such Share calculated by reference to the net asset value of the Share (subject to the Filer's right to suspend redemptions in certain circumstances).
 15. The **Redemption Price per Class A Share** is the amount which is equal to:
 - (a) the net asset value per Class A Share as at the December Redemption Date, less
 - (b) any applicable Redemption Costs,
 provided that, at the sole option of the Manager for the purposes of calculating the Redemption Price per Class A Share, the Manager may value

any security in the Common Share Portfolio and, for purposes of valuing the Forward Agreement, any security to which the Filer has direct or indirect exposure by reason of the Forward Agreement, in either case which is listed or traded on a stock exchange (or if more than one, on the stock exchange where the security primarily trades, as determined by the Manager) by taking the volume weighted average trading price of the security on such exchange during the three most recent trading days of such exchange ending on and including such December Redemption Date or, lacking any sales during such period or any record thereof, the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the Manager such value does not reflect the value thereof and in which case the fair market value as determined by the Manager shall be used), all as reported by any means in common use. For the purposes of calculating the Redemption Price per Class A Share, the diluted net asset value per Class A Share will be used (calculated in the manner described below) if the diluted net asset value per Class A Share is calculated on such December Redemption Date.

16. The **Redemption Price per Class F Share** is the amount which is equal to:

- (a) the net asset value per Class F Share as at the December Redemption Date, less
- (b) any costs associated with the redemption including, without limitation, if the Manager determines that it is not practicable or necessary for the Filer to partially settle the Forward Agreement to fund such redemption, the aggregate of all brokerage fees, commissions and other transaction costs that the Manager estimates would have resulted from such a partial settlement,

provided that, at the sole option of the Manager for the purposes of calculating the Redemption Price per Class F Share, the Manager may value any security in the Common Share Portfolio and, for purposes of valuing the Forward Agreement, any security to which the Filer has direct or indirect exposure by reason of the Forward Agreement, in either case which is listed or traded on a stock exchange (or if more than one, on the stock exchange where the security primarily trades, as determined by the Manager) by taking the volume weighted average trading price of the security on such exchange during the three most recent trading days of such exchange ending on and including such December Redemption Date or, lacking any sales during such period or any record thereof, the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the Manager such

value does not reflect the value thereof and in which case the fair market value as determined by the Manager shall be used), all as reported by any means in common use. For the purposes of calculating the Redemption Price per Class F Share, the diluted net asset value per Class F Share will be used (calculated in the manner described below) if the diluted net asset value per Class F Share is calculated on such December Redemption Date.

17. Holders of Class A Shares will have the opportunity to trade their Class A Shares on a daily basis on the TSX. Similarly, holders of Class F Shares can convert their Class F Shares into Class A Shares at no charge to the investor and will therefore have the opportunity to trade their resulting Class A Shares on a daily basis on the TSX.

NAV Calculation

18. Under clause 14.2(3)(b) of NI 81-106, an investment fund that is a reporting issuer and that uses or holds permitted derivatives, such as the Filer intends to do, must calculate its net asset value per security on a daily basis.

19. The Filer intends to calculate its NAV, net asset value per Class A Share and net asset value per Class F Share twice per month, namely on each Valuation Date. A **Valuation Date** is the second Friday of each month and each Monthly Redemption Date and December Redemption Date.

20. If such calculation results in a net asset value per Class A Share that is greater than \$10.00 on any Valuation Date that Class A Warrants are outstanding, the Filer also will calculate a diluted net asset value per Class A Share by:

- (a) adding the total number of Class A Warrants then outstanding to the total number of Class A Shares then outstanding, and
- (b) adding to the net asset value attributable to the Class A Shares the product of such number of outstanding Class A Warrants and \$10.00.

Similarly, if the Filer's net asset value calculation results in a net asset value per Class F Share that is greater than \$10.15 on any Valuation Date that Class F Warrants are outstanding, the Filer also will calculate a diluted net asset value per Class F Share by:

- (c) adding the total number of Class F Warrants then outstanding to the total number of Class F Shares then outstanding, and

- (d) adding to the net asset value attributable to the Class F Shares the product of such number of outstanding Class F Warrants and \$10.15.
21. The (final) prospectus of the Filer discloses that, when calculated, the diluted net asset value per Class A Share and diluted net asset value per Class F Share will be accessible to the public through the internet at www.ci.com, together with an explanation of the difference between the net asset value per Share and diluted net asset value per Share calculations.

Prior Decision

22. The Decision Makers granted to the Filer relief substantially similar to the NAV Relief in the Prior Decision.
23. It was a condition of the Prior Decision that certain disclosure be made in the final prospectus of the Filer which, through inadvertence, was not made.
24. As an alternative, the Filer will include the missing disclosure in the first interim management report of fund performance (the **Interim MRFP**) and the first annual management report of fund performance (the **Annual MRFP**) of the Filer required under NI 81-106. The Annual MRFP will be sent to each securityholder by the filing deadline set out in NI 81-106.

- (d) the first Interim MRFP and the Annual MRFP of the Filer under NI 81-106 discloses that the net asset value per Share and, when calculated, the diluted net asset value per Share, will be provided by the Manager to the public on request and further discloses that the net asset value per Share and, when calculated, the diluted net asset value per Share, together with an explanation of the difference between the net asset value per Share and diluted net asset value per Share calculations, is accessible to the public on the internet at www.ci.com;

- (e) the Class A Shares remain listed on the TSX; and
- (f) the Filer calculates its net asset value per Class A Share and net asset value per Class F Share at least twice a month.

“Leslie Byberg”
Acting Director, Investment Funds Branch
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 final prospectus of the Filer discloses that, when calculated, the diluted net asset value per Share, together with an explanation of the difference between the net asset value per Share and diluted net asset value per Share calculations, is accessible to the public on the internet at www.ci.com;
- (b) the net asset value per Class A Share and net asset value per Class F Share are accessible to the public on the internet at www.ci.com;
- (c) the Manager provides the net asset value per Class A Share and net asset value per Class F Share and, when calculated, the diluted net asset value per Class A Share and diluted net asset value per Class F Share, to the public on request;

2.1.4 Canadex Resources Limited - MRRS Decision

Headnote

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

Ontario Statutes

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

February 29, 2008

**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
CANADEX RESOURCES LIMITED (the “Filer”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the Jurisdictions has received an application from the Filer for a decision pursuant to the securities legislation of the Jurisdictions (the “**Legislation**”) that the Filer be deemed to have ceased to be a reporting issuer in the Jurisdictions (the “**Requested Relief**”).

Under the Mutual Reliance Review System for Exemptive Relief Applications,

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

Interpretation

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

Representations

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

1. The Filer is a corporation governed by the *Business Corporations Act* (Ontario) (the “**OBCA**”) with its head office located in Brampton, Ontario.

2. The authorized capital of the Filer consists of an unlimited number of common shares (the “**Common Shares**”), an unlimited number of Class A preference shares (the “**Preference Shares**”) and an unlimited number of non-voting redeemable special shares (the “**Special Shares**”). As at the date hereof, 5,811,005 Common Shares, 7,529,346 Preference Shares and no Special Shares of the Filer are issued and outstanding.
3. The Filer is a reporting issuer in each of the Jurisdictions.
4. On December 10, 2007, 2154742 Ontario Limited (the “**Offeror**”), a wholly-owned subsidiary of Student Transportation of America Ltd., made an offer to purchase (i) all of the Common Shares at a price of Cdn.\$5.72 cash per Common Share; and (ii) all of the Preference Shares at a price of Cdn.\$1.00 cash per Preference Share (the “**Offer**”).
5. The Offer expired on January 17, 2008. In connection with the completion of the Offer, approximately 93.1% of the outstanding Common Shares and 100% of the outstanding Preference Shares were taken up and paid for by the Offeror.
6. On January 28, 2008, the Offeror commenced a compulsory acquisition under section 188 of the OBCA to acquire the remaining Common Shares not deposited under the Offer by mailing a notice of compulsory acquisition to the holders of such Common Shares. The compulsory acquisition was completed on February 27, 2008.
7. On February 11, 2008, the Offeror and the Filer delivered an application to the Toronto Stock Exchange to have the Common Shares voluntarily de-listed. The Common Shares were de-listed from the Toronto Stock Exchange on February 27, 2008.
8. As a result of these transactions, all of the outstanding securities of the Filer are held by the Offeror. No securities of the Filer are currently traded on a marketplace as defined in National Instrument 21-101 – *Marketplace Operation*.
9. The Filer has no current intention to seek public financing by way of an offering of securities.
10. The Filer is applying for a decision that the Filer is not a reporting issuer in the Jurisdictions.
11. Upon the grant of the requested relief, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.
12. The Filer is not in default of any of its obligations as a reporting issuer under the Legislation other than with respect to the obligation to file interim

financial statements, related management's discussion and analysis and certificates under Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* for its second quarter ended December 31, 2007. On February 14, 2008, the last date by which the Filer was required to make such filings, the Offeror owned in excess of 90% of the Common Shares and 100% of the Preference Shares, and had delivered a notice of compulsory acquisition to shareholders of the Filer who had not deposited their Common Shares under the Offer. Consequently, the Filer has not filed such documents in respect of its second quarter ended December 31, 2007.

Decision

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

"David L. Knight"

"Suresh Thakrar"

2.1.5 SEI Investments Canada Company et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Plan Sponsors, CAP Members, and a named service provider exempted from the prospectus requirements in the Legislation in respect of trades in securities of mutual funds to Capital Accumulation Plans, subject to certain terms and conditions.

Statutes Cited

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

Rules Cited

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

Published Documents Cited

Amendments to NI 45-106 – Registration And Prospectus Exemption For Certain Capital Accumulation Plans, October 21, 2005 (2005), 25 OSCB 8681.

February 29, 2008

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, QUEBEC, 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
SEI INVESTMENTS CANADA COMPANY (the Filer),
INLAND KENWORTH AND SEI BALANCED 60/40 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 each of the Filer, the officers and employees of the Filer acting on the Filer's behalf, Inland Kenworth, as the plan sponsor of CAPs (as defined below) and any other plan sponsors of CAPs which use the administration, investment education and investment management services (collectively, the **Services**) of the Filer in respect of their CAPs (collectively, the **Plan Sponsors**), and SEI Balanced 60/40 Fund and any other mutual funds selected for the CAPs sponsored

by the Plan Sponsors (collectively, the **Funds**) for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption from the prospectus requirements of the Legislation in respect of the distribution of securities of the Funds to tax assisted investment or savings plans (**Capital Accumulation Plans** or **CAPs**) to which the Filer provides Services, or to a **CAP Member** (as defined below) as part of the CAP Member's participation in the CAP, without a prospectus (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 Filer is a corporation governed by the laws of the Province of Nova Scotia. Its registered office is in the Province of Nova Scotia and its head office is located in Toronto, Ontario. A corporation established under the laws of Nova Scotia is required to have a registered office in Nova Scotia, but is not required to have its head office in Nova Scotia.
2. The Filer is registered as an adviser in the categories of investment counsel and portfolio manager in each of province of Canada.
3. The Filer is registered as a dealer in the category of limited market dealer in Ontario. The Filer is also registered as a commodity trading manager in Ontario.
4. The Filer is the manager and portfolio manager of a total of 29 mutual funds which are prospectus qualified (28 of which are prospectus qualified pursuant to National Instrument 81-102 – *Mutual Funds* (NI 81-102) and one of which is a commodity pool governed by National Instrument 81-104 – *Commodity Pools*) and two mutual funds that are distributed under exemptions from the prospectus requirements of the Legislation. The Filer may, in the future, be the manager and portfolio manager of additional mutual funds.
5. The Filer carries on business primarily as an investment counsel and portfolio manager. In connection with this principal business, the Filer

distributes securities of its mutual funds on a prospectus-exempt basis directly to accredited investors, as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions* (NI 45-106), who are, primarily, trusts having net assets of at least \$5,000,000.

6. The Filer also carries on business as a service provider (a **Service Provider**) to Plan Sponsors of Capital Accumulation Plans, such as defined contribution registered pension plans, group registered retirement savings plans, group registered education savings plans or deferred profit sharing plans established by a Plan Sponsor that permit CAP members to make investment decisions among two or more investment options offered within the Capital Accumulation Plan. A Plan Sponsor may be an employer, trustee, trade union or association.
7. As a Service Provider, the Filer may provide services to Plan Sponsors with respect to the design, establishment or operation of a Capital Accumulation Plan. These services include offering an investment line-up that is appropriate for the plan member's needs, providing investment education and communication to plan participants, and providing administration and reporting as required. The Filer also may carry out responsibilities of a Plan Sponsor that are delegated to it.
8. The Filer trades the securities of mutual funds to current or former employees of an employer, or a person who belongs, or did belong to a trade union or association or,
 - (a) his or her spouse;
 - (b) a trustee, custodian or administrator who is acting on his or her behalf, or for his or her benefit, or on behalf of, or for the benefit of, his or her spouse; or
 - (c) his or her holding entity or a holding entity of his or her spouse,that has assets in a CAP, including a person that is eligible to participate in a CAP (collectively, **CAP Members**), as a part of a CAP Member's participation in a Capital Accumulation Plan.
9. By decision document dated August 29, 2006, the Decision Makers granted a registration exemption to the Filer in accordance with the conditions specified in proposed amendments to National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106) related to CAPs which were published by the Canadian Securities Administrators on October 21, 2005 and adopted in the form of a blanket exemption in each of the provinces and territories other than the Jurisdictions (the **Proposed CAP Exemption**)

with respect to trades in securities of mutual funds of which the Filer is or becomes the manager and portfolio manager (**Proprietary Mutual Funds**) and mutual funds of which the Filer is not the manager and portfolio manager (**Non-Proprietary Mutual Funds**).

10. The Filer distributes prospectus-qualified securities of Proprietary Mutual Funds and Non-Proprietary Mutual Funds to Capital Accumulation Plans or CAP Members. The Filer may also distribute securities of mutual funds to a CAP or a CAP Member in reliance on one or more prospectus exemptions set out in NI 45-106.
11. The Filer intends to distribute securities of Proprietary Mutual Funds and Non-Proprietary Mutual Funds without a prospectus in accordance with the Proposed CAP Exemption. Such proposal contemplates both a dealer registration exemption and a prospectus exemption.
12. As Plan Sponsors typically approach the Filer for assistance with respect to such regulatory issues, the Filer is seeking an exemption on behalf of the Filer, the officers and employees acting on the Filer's behalf, the Plan Sponsors and the Funds, as applicable, from the prospectus requirements under the Legislation where the Fund meets the conditions set out in this decision. The Filer will obtain on behalf of a Plan Sponsor a certificate from the manager of each such Fund certifying that such Fund meets the conditions set out in this 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. The relevant Plan Sponsor:
 - (a) selects the mutual funds that CAP Members will be able to invest in under the Capital Accumulation Plan;
 - (b) establishes a policy, and provides CAP Members with a copy of the policy and any amendments to it, describing what happens if a CAP Member does not make an investment decision;
 - (c) provides CAP Members, in addition to any other information that the Plan Sponsor believes is reasonably necessary for a CAP Member to make an investment decision within the CAP, and unless that information has previously

been provided, the following information about each mutual fund the CAP Member may invest in:

- (i) the name of the mutual fund;
 - (ii) the name of the manager of the mutual fund and its portfolio adviser;
 - (iii) the fundamental investment objective of the mutual fund;
 - (iv) the investment strategies of the mutual fund or the types of investments the mutual fund may hold;
 - (v) a description of the risks associated with investing in the mutual fund;
 - (vi) where a CAP Member can obtain more information about each mutual fund's portfolio holdings;
 - (vii) where a CAP Member can obtain more information generally about each mutual fund, including any continuous disclosure; and
 - (viii) whether the mutual fund is considered foreign property for income tax purposes, and if so, a summary of the implications of that status for a CAP Member who invested in that mutual fund;
- (d) provides CAP Members with a description and amount of any fees, expenses and penalties relating to the Capital Accumulation Plan that are borne by the CAP Members, including:
- (i) any costs that must be paid when the mutual fund is bought or sold;
 - (ii) costs associated with accessing or using any of the investment information, decision-making tools or investment advice provided by the Plan Sponsor;
 - (iii) mutual fund management fees;
 - (iv) mutual fund operating expenses;
 - (v) record keeping fees;
 - (vi) any costs of transferring among investment options, including penalties, book and market value

- adjustments and tax consequences;
- (vii) account fees; and
- (viii) fees for services provided by service providers,
- provided that the Plan Sponsor may disclose the fees, penalties and expenses on an aggregate basis, if the Plan Sponsor discloses the nature of the fees, expenses and penalties, and the aggregated fees do not include fees that arise because of a choice that is specific to a particular CAP Member;
- (e) has within the past year, provided CAP Members with performance information about each mutual fund the CAP Members may invest in, including:
- (i) the name of the mutual fund for which the performance is being reported;
- (ii) the performance of the mutual fund, including historical performance for one, three, five and ten years if available;
- (iii) a performance calculation that is net of investment management fees and mutual fund expenses;
- (iv) the method used to calculate the mutual fund's performance return calculation, and information about where a CAP Member could obtain a more detailed explanation of that method;
- (v) the name and description of a broad-based securities market index, selected in accordance with National Instrument 81-106 Investment Fund Continuous Disclosure, for the mutual fund, and corresponding performance information for that index; and
- (vi) a statement that past performance of the mutual fund is not necessarily an indication of future performance;
- (f) has, within the past year, informed CAP Members if there were any changes in the choice of mutual funds that CAP Members could invest in and where there was a change, provided information about what CAP Members needed to do
- to change their investment decision, or make a new investment;
- (g) provides CAP Members with investment decision-making tools that the Plan Sponsor reasonably believes are sufficient to assist them in making an investment decision within the CAP;
- (h) provides the information required by paragraphs (b), (c), (d) and (g) prior to the CAP Member making an investment decision under the CAP; and
- (i) if the Plan Sponsor makes investment advice from a registrant available to CAP Members, the Plan Sponsor must provide CAP Members with information about how they can contact the registrant.
2. The relevant Proprietary Mutual Fund or Non-Proprietary Mutual Fund complies with Part 2 of NI 81-102.
3. Before the first time any Proprietary Mutual Fund or Non-Proprietary Mutual Fund relies on this Decision, the mutual fund files a notice in the form found in Appendix C of the Proposed CAP Exemption in each jurisdiction in which the mutual fund expects to distribute its securities.
4. This Decision, as it relates to the jurisdiction of a Decision Maker, will terminate upon the coming into force in NI 45-106 of a prospectus exemption for trades in a security of a mutual fund to a CAP, or 60 days after the Decision Maker publishes in its Bulletin a notice or a statement to the effect that it does not propose to provide such a prospectus exemption.

"Paul Bates"
Commissioner
Ontario Securities Commission

"David Knight"
Commissioner
Ontario Securities Commission

2.1.6 Thales - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application – Application for relief from the prospectus requirement and dealer registration requirement in respect of certain trades made in connection with an employee share offering by a French issuer. The offering involves the use of collective employee shareholding vehicles, each a FCPE. The issuer cannot rely on the employee exemption in section 2.24 of National Instrument 45-106 - Prospectus and Registration Exemptions as the shares are not being offered to Canadian Participants directly by the issuer, but through the FCPEs. – Canadian Participants will not be induced to participate in the offering by expectation of employment or continued employment – Number of Canadian Participants is *de minimis* – Canadian Participants will receive certain disclosure documents in French or English language, as applicable – The FCPEs are subject to the supervision of the French AMF – No market for the Units or Shares in Canada – Relief granted, subject to conditions.

Application for relief from the dealer registration requirement and adviser registration requirement for the manager of the FCPEs. The Management Company will not be involved with providing advice to Canadian Participants and its activities will not affect the underlying value of the Shares being offered. Relief granted in respect of specified activities of the Management Company, subject to conditions.

Applicable Legislative Provisions

Sections 25, 53 and 74 of the Securities Act (Ontario).
 National Instrument 45-106 - Prospectus and Registration Exemptions, s. 2.24.
 National Instrument 45-102 - Resale of Securities, s. 2.14.

Translation

February 29, 2008

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

AND

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

AND

IN THE MATTER OF
 THALES
 (the “Filer”)

MRRS DECISION DOCUMENT

Background

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

1. an exemption from the prospectus requirements of the Legislation (the “Prospectus Relief”) so that such requirements do not apply to:
 - (a) trades in units (“Units”) of;
 - (i) a compartment named World Classic of a permanent FCPE named Thales Actionnariat Salaré (the “Principal Classic Compartment”), which is a fonds commun de placement d’entreprise or “FCPE”; a form of collective shareholding vehicle of a type commonly used in France for the conservation of shares held by employee-investors;
 - (ii) a compartment named Thales Relais International 2008 of a temporary FCPE named Thales Relais 2008 (the “Temporary Classic Compartment”), which is an “FCPE” and will merge with the Principal Classic Compartment following the Employee Share Offering (as defined below) as further described in paragraph 11; and
 - (iii) a compartment named Action Plus 2008 of a permanent FCPE named Thales Actionnariat Salaré (the “Leveraged Compartment”), which is an “FCPE”,

(the Principal Classic Compartment, the Temporary Classic Compartment and the Leveraged Compartment, collectively, the “Compartments”)
 - (b) trades of ordinary shares of the Filer (the “Shares”) by the Compartments to Canadian Participants upon the redemption of Units by Canadian Participants;

- (c) the issuance of Units of the Principal Classic Compartment to holders of Leveraged Compartment Units upon the transfer of the Canadian Participants' assets in the Leveraged Compartment to the Principal Classic Compartment at the end of the Lock-Up Period (as defined below);
2. an exemption from the dealer registration requirements of the Legislation (the "**Registration Relief**") so that such requirements do not apply to:
- (a) trades in Units of the Temporary Classic Compartment or the Principal Classic Compartment made pursuant to the Employee Share Offering to or with Canadian Participants;
 - (b) trades in Units of the Leveraged Compartment made pursuant to the Employee Share Offering to or with Canadian Participants not resident in Ontario (the "**Registrant Jurisdiction**");
 - (c) trades of Shares by the Compartments to Canadian Participants upon the redemption of Units by Canadian Participants; and
 - (d) the issuance of Units of the Principal Classic Compartment to holders of Leveraged Compartment Units upon the transfer of the Canadian Participants' assets in the Leveraged Compartment to the Principal Classic Compartment at the end of the Lock-Up Period (as defined below);
3. an exemption from the adviser registration requirements and dealer registration requirements of the Legislation so that such requirements do not apply to the manager of the Compartments, Crédit Agricole Asset Management (the "**Management Company**"), to the extent that its activities described in paragraphs 31 and 32 hereof require compliance with the adviser registration requirements and dealer registration requirements (the "**Manager Registration Relief**" and collectively, with the Prospectus Relief and the Registration Relief, the "**Initial Requested Relief**"); and
4. an exemption from the dealer registration requirements of the Legislation so that such requirements do not apply to the first trade in any Units or Shares acquired by Canadian Participants under the Employee Share Offering (the "**First Trade Relief**").

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

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 formed under the laws of France. It is not and has no current intention of becoming a reporting issuer (or equivalent) under the Legislation. The Shares are listed on Euronext Paris.
2. The Filer carries on business in Canada through its subsidiaries Thales Canada Inc. and Thales Rail Signalling Solutions Inc. (collectively, the "**Canadian Affiliates**", together with the Filer and other affiliates of the Filer, the "**Thales Group**"). Each of the Canadian Affiliates is indirectly controlled by the Filer and is not, and has no current intention of becoming, a reporting issuer (or the equivalent) under the Legislation.
3. As of the date hereof and after giving effect to the Employee Share Offering, Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Compartments on behalf of Canadian Participants) more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.
4. The Filer has established a global employee share offering for employees of the Thales Group (the "**Employee Share Offering**"). The Employee Share Offering is comprised of two subscription options:
 - (a) an offering of Shares to be subscribed through the Temporary Classic Compartment, which Compartment will be merged with the Principal Classic Compartment after completion of the Employee Share Offering (the "**Classic Plan**"); and
 - (b) an offering of Shares to be subscribed through the Leveraged Compartment (the "**Leveraged Plan**").
5. Only persons who are employees of a member of the Thales Group during the subscription/

- revocation period for the Employee Share Offering and who meet other employment criteria (the “**Qualifying Employees**”) will be allowed to participate in the Employee Share Offering.
6. There are approximately 1162 Qualifying Employees resident in Canada in the Province of Quebec (206), British Columbia (61), Ontario (891) and Nova Scotia (4).
 7. The Compartments have been established for the purpose of implementing the Employee Share Offering. There is no current intention for the Compartments to become reporting issuers (or the equivalent) under the Legislation.
 8. As set forth above, the Compartments are collective shareholding vehicles (fonds communs de placement d'entreprise or “FCPEs”) of a type commonly used in France for the conservation or custodianship of shares held by employee investors. The Compartments have been registered with the French Autorité des marchés financiers (the “**French AMF**”). Only Qualifying Employees will be allowed to hold Units of the Compartments in an amount corresponding to their respective investments in each of the Compartments.
 9. All Units acquired in the Employee Share Offering by Canadian Participants will be subject to a hold period of approximately five years (the “**Lock-Up Period**”), subject to certain exceptions prescribed by French law (such as a release on death or termination of employment).
 10. Under the Classic Plan, Canadian Participants will subscribe for Units in the Temporary Classic Compartment, and the Temporary Classic Compartment will then subscribe for Shares using the Canadian Participants’ contributions at a subscription price that is equal to the average of the opening price of the Shares on the 20 trading days preceding the date of fixing of the subscription price by the President of the Filer (the “**Reference Price**”), less a 20% discount (the “**Subscription Price**”).
 11. Initially, the Shares will be held in the Temporary Classic Compartment and the Canadian Participant will receive Units in the Temporary Classic Compartment. After completion of the Employee Share Offering, the Temporary Classic Compartment will be merged with the Principal Classic Compartment (subject to the French AMF’s approval). Units of the Temporary Classic Compartment held by Canadian Participants will be replaced with Units of the Principal Classic Compartment on a pro rata basis and the Shares subscribed for under the Employee Share Offering will be held in the Principal Classic Compartment (the “**Merger**”).
 12. The term “**Classic Compartment**” used herein means, prior to the Merger, the Temporary Classic Compartment, and following the Merger, the Principal Classic Compartment.
 13. Under the Classic Plan, at the end of the Lock-Up Period or in the event of an early redemption resulting from the Canadian Participant exercising one of the exceptions to the Lock-Up Period prescribed by French law, a Canadian Participant may:
 - (a) redeem Units in the Classic Compartment in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares; or
 - (b) continue to hold Units in the Classic Compartment and redeem those Units at a later date.
 14. Dividends paid on the Shares held in the Classic Compartment will be contributed to the Classic Compartment and used to purchase additional Shares. The net asset value of the Classic Compartment will be increased to reflect this reinvestment (no additional new Units of the Classic Compartment will be issued).
 15. Under the Leveraged Plan, Canadian Participants will subscribe for Units in the Leveraged Compartment, and the Leveraged Compartment will then subscribe for Shares using the Employee Contribution (as described below) and certain financing made available by Calyon (the “**Bank**”), which is governed by the laws of France.
 16. Canadian Participants in the Leveraged Plan receive a 15% discount on the Reference Price. Under the Leveraged Plan, the Canadian Participants effectively receive a share appreciation potential entitlement in the increase in value, if any, of the Shares financed by the Bank Contribution (described below).
 17. Participation in the Leveraged Plan represents a potential opportunity for Qualifying Employees to obtain significantly higher gains than would be available through participation in the Classic Plan, by virtue of the Qualifying Employee’s indirect participation in a financing arrangement involving a swap agreement (the “**Swap Agreement**”) between the Leveraged Compartment and the Bank. In economic terms, the Swap Agreement effectively involves the following exchange of payments: for each Share which may be subscribed for by the Qualifying Employee’s contribution (expressed in euros) (the “**Employee Contribution**”) under the Leveraged Plan at the Reference Price less the 15% discount, the Bank will lend to the Leveraged Compartment (on behalf of the Canadian Participant) an amount sufficient to enable the Leveraged Compartment

- (on behalf of the Canadian Participant) to subscribe for an additional 3 Shares (the "**Bank Contribution**") at the Reference Price less the 15% discount.
18. Under the terms of the Swap Agreement, at the end of the Lock-Up Period (the "**Settlement Date**"), the Leveraged Compartment will owe to the Bank an amount equal to $A - [B+C]$, where:
- (a) "A" is the market value of all the Shares at the end of the Lock-Up Period that are held in the Leveraged Compartment (as determined pursuant to the terms of the Swap Agreement),
 - (b) "B" is the market value of the Shares at the end of the Lock-Up Period that were purchased with the Employee Contribution amounts (as determined pursuant to the Swap Agreement); and
 - (c) "C" is an amount equal to (the "**Appreciation Amount**"):
 - (i) a multiple (which will be approximately 2, and will be confirmed prior to the beginning of the subscription period) of the positive difference, if any, between:
 - (1) the bi-monthly average of the price of the Shares taken on two specified calendar days of each month during the entire Lock-up Period of such Shares (i.e. a total of 120 readings) (in the event this Share price is lower than the Reference Price, the Reference Price will be used instead),
 - and
 - (2) the Reference Price,
 multiplied by
 - (ii) the number of Shares purchased with the Employee Contribution.
19. If, at the end of the Lock-Up Period, the market value of the Shares held in the Leveraged Compartment is less than 100% of the Employee Contributions, the Bank will, pursuant to a guarantee agreement, make a cash contribution to the Leveraged Compartment to make up such shortfall.
20. At the end of the Lock-Up Period, the Swap Agreement will terminate after the final swap payments are made and a Canadian Participant may, within a specified time, elect to redeem his or her Leveraged Compartment Units in consideration for cash or Shares equivalent to:
- (a) the market value of the Shares that were purchased with the Canadian Participant's Employee Contribution (as determined pursuant to the terms of the Swap Agreement);
- and
- (b) the Canadian Participant's portion of the Appreciation Amount, if any.
- (the "**Redemption Formula**").
21. If a Canadian Participant does not redeem his or her Units in the Leveraged Compartment, his or her investment in the Leveraged Compartment will be transferred to the Principal Classic Compartment upon the decision of the supervisory board of the Leveraged Compartment and the approval of the French AMF. New Units of the Principal Classic Compartment will be issued to the applicable Canadian Participants in recognition of the assets transferred to the Principal Classic Compartment. The Canadian Participants may redeem the new Units whenever they wish. However, following a transfer to the Principal Classic Compartment, the Employee Contribution and the Appreciation Amount will not be covered by the Swap Agreement or the guarantee agreement.
22. Pursuant to the guarantee agreement, under no circumstances will a Canadian Participant in the Leveraged Plan be entitled to receive less than 100% of his or her Employee Contribution at the end of the Lock-Up Period or in the event of an early unwind resulting from the Canadian Participant exercising one of the exceptions to the Lock-Up Period. The Management Company is permitted to cancel Swap Agreement (which will have the effect of cancelling the guarantee) in certain strictly defined conditions where it is in the best interests of the holders of Units of the Leveraged Compartment. The Management Company is required under French law to act in the best interests of holders of Units of the Leveraged Compartment. In the event that the Management Company cancelled the Swap Agreement and this was not in the best interests of the holders of Units of the Leveraged Compartment, then, such holders would have a right of action under French law against the Management Company. Under no circumstances will a Canadian Participant in the Leveraged Plan be responsible to contribute an amount greater than his or her Employee Contribution.

23. Under French law, each Compartment is a compartment of an FCPE, which is a limited liability entity. Each Compartment's portfolio will consist almost entirely of Shares of the Filer. The Classic Compartment's portfolio, may, from time to time, include cash in respect of dividends paid on the Shares which will be reinvested in Shares. The Leveraged Compartment's portfolio will also include the Swap Agreement. From time to time, either portfolio may include cash or cash equivalents that the Compartments may hold pending investments in Shares and for the purposes of Unit redemptions.
24. The offering documents provided to Canadian Participants will confirm that, under no circumstances, will a Canadian Participant in the Leveraged Plan be liable to any of the Leveraged Compartment, the Bank or the Filer for any amounts in excess of his or her Employee Contribution under the Leveraged Plan.
25. During the term of the Swap Agreement, an amount equivalent to the net amounts of any dividends paid on the Shares held in the Leveraged Compartment will be remitted by the Leveraged Compartment to the Bank as partial consideration for the obligations assumed by the Bank under the Swap Agreement.
26. For Canadian federal income tax purposes, the Canadian Participants in the Leveraged Compartment should be deemed to receive all dividends paid on the Shares financed by either the Employee Contribution or the Bank Contribution, at the time such dividends are paid to the Leveraged Compartment, notwithstanding the actual non-receipt of the dividends by the Canadian Participants by virtue of the terms of the Swap Agreement. Consequently, Canadian Participants will be required to fund the tax liabilities associated with the dividends without recourse to the actual dividends.
27. The declaration of dividends on the Shares is determined by the board of directors of the Filer. The Filer has not made any commitment to the Bank as to any minimum payment in respect of dividends.
28. To respond to the fact that, at the time of the initial investment decision relating to participation in the Leveraged Plan, Canadian Participants will be unable to quantify their potential income tax liability resulting from such participation, the Filer or the Canadian Affiliates will indemnify each Canadian Participant in the Leveraged Plan for all tax costs to the Canadian Participants associated with the payment of dividends in excess of a specified amount of euros per Share during the Lock-Up Period such that, in all cases, a Canadian Participant will, at the time of the original investment decision, be able to determine his or her maximum tax liability in connection with dividends received by the Leveraged Compartment on his or her behalf under the Leveraged Plan.
29. At the time the Canadian Participant's obligations under the Swap Agreement are settled, the Canadian Participant should realize a capital gain (or capital loss) by virtue of having participated in the Swap Agreement to the extent that amounts received by the Leveraged Compartment, on behalf of the Canadian Participant, from the Bank exceed (or are less than) amounts paid by the Leveraged Compartment, on behalf of the Canadian Participant to the Bank. To the extent that an amount equal to the value of the dividends on Shares that are deemed to have been received by a Canadian Participant are paid by the Leveraged Compartment on behalf of the Canadian Participant to the Bank, such payments will reduce the amount of any capital gain (or increase the amount of any capital loss) to the Canadian Participant under the Swap Agreement. Capital losses (gains) realized by a Canadian Participant under the Swap Agreement may be offset against (reduced by) any capital gains (losses) realized by the Canadian Participant on a disposition of the Shares, in accordance with the rules and conditions under the Income Tax Act (Canada) or comparable provincial legislation (as applicable).
30. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF to manage French investment funds and complies with the rules of the French AMF. The Management Company is not and has no current intention of becoming a reporting issuer (or the equivalent) under the Legislation.
31. The Management Company's portfolio management activities in connection with the Employee Share Offering and the Compartments are limited to subscribing for Shares from the Filer, selling such Shares as necessary in order to fund redemption requests, and such activities as may be necessary to give effect to the Swap Agreement.
32. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of each Compartment. The Management Company's activities in no way affect the underlying value of the Shares and the Management Company will not be involved in providing advice to any Canadian Participants.
33. Shares issued in the Employee Share Offering will be deposited in the relevant Compartment through Caceis-bank (the "Depositary"), a large French

- commercial bank subject to French banking legislation.
34. Under French law, the Depositary must be selected by the Management Company from among a limited number of companies identified on a list by the French Minister of the Economy, Finance and Industry and its appointment must be approved by the French AMF. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow each Compartment to exercise the rights relating to the securities held in its respective portfolio.
35. Participation in the Employee Share Offering is voluntary, and the Canadian resident Qualifying Employees will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.
36. The total amount invested by a Canadian Participant in the Employee Share Offering cannot exceed 25% of his or her estimated gross annual remuneration for the 2008 calendar year. For the purposes of calculating this limit, a Canadian Participant's maximum "investment" in the Leveraged Compartment will include the additional Bank Contribution.
37. None of the Filer, the Management Company, the Canadian Affiliates or any of their employees, agents or representatives will provide investment advice to the Canadian Participants with respect to an investment in the Shares or the Units.
38. The Shares are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares so listed. As there is no market for the Shares in Canada, and as none is expected to develop, first trades of Shares by Canadian Participants will be effected through the facilities of, and in accordance with, the rules and regulations of the Euronext Paris.
39. The Filer will retain a securities dealer registered as a broker/investment dealer under the Legislation of Ontario (the "**Registrant**") to provide advisory services to Canadian Participants resident in Ontario who express interest in the Leveraged Plan and to make a determination, in accordance with industry practices, as to whether an investment in the Leveraged Plan is suitable for each such Canadian Participant based on his or her particular financial circumstances. The Registrant will establish accounts for, and will receive the initial account statements from the Leveraged Compartment on behalf of, such Canadian Participants. The Units of the Leveraged Compartment will be issued by the Leveraged Compartment to Canadian Participants resident in Ontario solely through the Registrant.
40. Canadian Participants who participate in the Employee Share Offering will receive a statement indicating the number of Units they hold and the value of each Unit at least once per year.
41. The Canadian Participants will receive an information package in the French or English language, as applicable, which will include a summary of the terms of the Employee Share Offering, a tax notice containing a description of Canadian income tax consequences of subscribing to and holding the Units in the Compartments and redeeming Units for cash or Shares at the end of the Lock-Up Period. The information package for Canadian Participants in the Leveraged Plan will include all the necessary information for general inquiry and support with respect to the Leveraged Plan and will also include a risk statement which will describe certain risks associated with an investment in Units pursuant to the Leveraged Plan, and a tax calculation document which will illustrate the general Canadian federal income tax consequences of participating in the Leveraged Plan.
42. Upon request, Canadian Participants may receive copies of the Filer's French *Document de Référence* filed with the French AMF in respect of the Shares and a copy of the relevant Compartment's rules (which are analogous to company by-laws). The Canadian Participants will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares.

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 Initial Requested Relief is granted provided that:

1. the first trade in any Units or Shares acquired by Canadian Participants pursuant to this Decision in a Jurisdiction is deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction unless the following conditions are met:
 - (a) the issuer of the security
 - (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;

- (b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada
 - (i) did not own directly or indirectly more than 10 percent of the outstanding securities of the class or series, and
 - (ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of securities of the class or series; and
 - (c) the first trade is made
 - (i) through an exchange, or a market, outside of Canada, or
 - (ii) to a person or company outside of Canada;
2. in Québec, the required fees are paid in accordance with Section 271.6(1.1) of the Securities Regulation (Québec); and
3. it is further the decision of the Decision Makers under the Legislation that the First Trade Relief is granted provided that the conditions set out in paragraphs 1(a), (b) and (c) under this decision granting the Initial Requested Relief are satisfied.

Josée Deslauriers
Director, Capital Markets

Claude Lessard
Manager, Supervision of Intermediaries

2.1.7 Lang Michener LLP et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemptions from registration and prospectus requirements for distribution of units of a trust to be established by professional services firm for tax planning purposes to partners of professional services firm and other specified investors – exemptions from registration and prospectus requirements for distribution of limited partnership units by either of two limited partnerships to the trust – relief granted subject to certain terms and conditions, including resale restrictions and that specified investors receive a copy of the decision document and acknowledge that no continuous disclosure to be provided.

Applicable Ontario Statutory Provisions

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

February 13, 2008

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

AND

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

AND

**IN THE MATTER OF
LANG MICHENER LLP,
LML&S LIMITED PARTNERSHIP AND
LM SERVICES LIMITED PARTNERSHIP**

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 Lang Michener LLP, LML&S Limited Partnership and LM Services Limited Partnership for a decision under the securities legislation of the Jurisdictions (the Legislation) that:
- (a) the distribution of LP Units (as defined below) by either LML&S Limited Partnership or LM Services Limited Partnership to the Trust (as defined below) will not be subject to the registration and prospectus requirements contained in the Legislation (the Requested LP Unit Relief); and

- (b) the distribution of Trust Units (as defined below) by the Trust to Specified Investors (as defined below) will not be subject to the registration and prospectus requirements contained in the Legislation (the Requested Trust Unit Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (i) the British Columbia Securities Commission is the principal regulator for this application, and
- (ii) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

- 3 This decision is based on the following facts represented by Lang Michener LLP (Lang):
 - 1. Lang is a limited liability partnership formed for the practice of law with one office in British Columbia and two offices in Ontario (collectively, the Jurisdictions); the British Columbia office of Lang is called the “Western Division” and the Ontario offices of Lang are called the “Eastern Division”;
 - 2. the partners of Lang (Lang Partners) are approximately 90 lawyers or their Professional Corporations (as defined below);
 - 3. a Lang Partner that is a Professional Corporation is a corporation incorporated or continued under the laws of British Columbia or Ontario where the Lang Partner practices, and which holds, where required, a valid permit or licence to practice its profession in such province;
 - 4. LML&S Limited Partnership (the Western LP) is a limited partnership established under the laws of British Columbia and carries on the business of providing secretarial, accounting and administrative services to the Western Division pursuant to a service agreement entered into between Lang and the Western LP; the general partner of the Western LP is LML&S General Partner Ltd. (WD-GP);

- 5. LM Services Limited Partnership (the Eastern LP) is a limited partnership established under the laws of Ontario and carries on the business of providing secretarial, accounting and administrative services to the Eastern Division pursuant to a service agreement entered into between Lang and the Eastern LP; the general partner of the Eastern LP is 1049622 Ontario Inc. (ED-GP);

- 6. the Eastern LP provides its limited partners with annual audited financial statements, and the Western LP provides its limited partners with unaudited financial statements, not later than 120 days after the end of each of their respective financial years;

- 7. neither the Western LP nor the Eastern LP (each, an LP and together, the LPs) is, and neither of them has any present intention of becoming, a reporting issuer in either Jurisdiction;

- 8. the interests of the limited partners in each LP are divided into limited partnership units (the LP Units); LP Units of the Eastern LP are not transferable except to (i) spouses of Lang Partners in the Eastern Division (Eastern Partners), (ii) Professional Corporations, and (iii) trusts established for the benefit of those Eastern Partners and their immediate family members (Eastern Family Trusts); LP Units of the Western LP are not transferable except to the Western LP for cancellation, or as a pledge to a lending institution as security in connection with the financing or refinancing of the acquisition of an LP Unit; consequently, no market has developed or will develop for the LP Units;

As to the Western Division

- 9. the Western LP may issue LP Units only to (i) Lang Partners in the Western Division (Western Partners), (ii) employees and independent contractors (each, an Employee) of the Western Division who are approved by the WD-GP and 75% of the Western Partners, (iii) spouses of Western Partners and Employees, and (iv) trusts established for the benefit of Western Partners, Employees, and their immediate family members (Western Family Trusts and, together with Eastern Family Trusts, the Family Trusts);
- 10. all of the outstanding LP Units of the Western LP are currently held by

- Western Partners, their spouses, or Western Family Trusts, and have been issued in reliance on exemptions from the registration and prospectus requirements provided by National Instrument 45-106 (NI 45-106), or predecessor exemptions contained in the applicable Legislation;
11. currently, a Western Partner, the spouse or the Western Family Trust of a Western Partner, who or which holds LP Units of the Western LP will cease to hold any such LP Units when the Western Partner ceases to be a Western Partner; the spouse or Western Family Trust will also cease to hold any such LP Units upon cessation of the required spousal relationship, or upon the beneficiaries of the Western Family Trust no longer being members of the immediate family of the Western Partner;

As to the Eastern Division

12. under the governing limited partnership agreement, the Eastern LP may issue LP Units only to (i) Eastern Partners, (ii) spouses of Eastern Partners, (iii) Professional Corporations, and (iv) Eastern Family Trusts;
13. all of the outstanding LP Units of the Eastern LP are currently held by Eastern Partners, their spouses, or Eastern Family Trusts, and have been issued in reliance on exemptions from the registration and prospectus requirements provided by NI 45-106, or predecessor exemptions contained in the applicable Legislation;
14. currently, an Eastern Partner, the spouse or the Eastern Family Trust of an Eastern Partner, who or which holds LP Units of the Eastern LP will cease to hold any such LP Units when the Eastern Partner ceases to be an Eastern Partner; the spouse or Eastern Family Trust will also cease to hold any such LP Units upon cessation of the required spousal relationship, or upon the beneficiaries of the Eastern Family Trust no longer being members of the immediate family of the Eastern Partner;

The Trust Proposal

15. Lang Partners propose to implement certain changes to the investment structure for the LPs in order to accommodate retirement planning for Lang Partners;

16. under the proposed restructuring (the Trust Proposal), the Lang Partners would cause a trust (the Trust) to be established; it is intended that the Trust will be a "mutual fund trust" as defined for tax purposes;
17. at the closing of the Trust Proposal, the capital of the Trust will consist of A units (A Units), E units (E Units) and W units (W Units) (A Units, E Units, and W Units are together, the Trust Units) and through a series of transactions:
- (a) the LPs will redeem all currently outstanding LP Units for their original issue price;
 - (b) Specified Investors (as defined below) will use an equivalent amount of money to subscribe for Trust Units; and
 - (c) the Trust will use those subscription funds (which will exceed \$150,000 in each case) to subscribe for LP Units of the Eastern and Western LPs;
18. subsequent to the closing of the Trust Proposal, whenever new Lang Partners are admitted to Lang and the applicable Specified Investors purchase Trust Units, the Trust will purchase LP Units in the Western LP or the Eastern LP, as the case may be; the issue price of the Trust Units and LP Units in these instances will often be less than \$150,000;
19. A Units will be issued to all Lang Partners or one or more of their related Specified Investors; E Units and W Units will be issued only to Eastern Partners or Western Partners, respectively, or to one or more of their related Specified Investors;
20. the Trust Units will have essentially the same economic rights and restrictions as the LP Units; in particular, the Trust Units will not be transferable except that they will be redeemable by the Trust and retractable by holders of Trust Units in accordance with the terms of the Trust Units, and will be transferable as a pledge to a lending institution as security for indebtedness incurred for the purpose of financing the acquisition, or continued ownership, of the security; consequently, no market will develop for the Trust Units;

21. under the Trust Proposal, Trust Units will be issued only to the following investors (each a Specified Investor):
- (a) a Lang Partner;
 - (b) the spouse or common-law partner of a Lang Partner; and
 - (c) any other person approved by the trustees of the Trust (an Other Approved Person);
22. the class of "Other Approved Person" will be restricted to persons who are any of the following:
- (a) a Family Trust;
 - (b) a retired Lang Partner who satisfies certain other requirements, or his or her spouse, common-law partner or Family Trust;
 - (c) counsel or other special adviser to Lang, or his or her spouse or common-law partner;
 - (d) a senior management employee of Lang, or his or her spouse or common-law partner; or
 - (e) an RRSP or RRIF, the annuitant or beneficiary of which is a Lang Partner or Other Approved Person, or his or her spouse or common-law partner;
23. except for a Lang Partner or Other Approved Person, or the spouse or common-law partner of the Lang Partner or Other Approved Person, who is both a trustee of and a beneficiary under a particular Family Trust, no beneficiary of a Family Trust will directly or indirectly contribute money to the Family Trust, be liable for any amount in respect of the Family Trust, or be involved in making any investment decisions by the Family Trust;
24. Specified Investors have not been, and will not be induced, to purchase the Trust Units by expectation of status or continued status as a Lang Partner, or by expectation of employment or engagement or continued employment or engagement by any person;
25. the primary purpose of the Trust Proposal is to facilitate retirement planning for the Lang Partners;

26. the Trust will not qualify as an accredited investor as defined in NI 45-106 and other exemptions in NI 45-106 may not be available for the distribution of LP Units to the Trust after the closing of the Trust Proposal when new Lang Partners are admitted to Lang; and
27. it is anticipated that in the future there may be occasions when Specified Investors who purchase Trust Units may not qualify for an exemption in NI 45-106.

Decision

- 4 Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.
- (1) The decision of the Decision Makers is that the Requested LP Unit Relief is granted.
 - (2) The decision of the Decision Makers is that the Requested Trust Unit Relief is granted provided that:
 - (a) before the issuance of the Trust Units to Specified Investors, the Trust will obtain a written statement from the Specified Investor acknowledging receipt of a copy of this decision document and further acknowledging the subscriber's understanding that the right to receive continuous disclosure is not available to the Specified Investor in respect of the Trust Units; and
 - (b) the first trade of a Trust Unit will be a distribution under the Legislation of the Jurisdiction in which the trade takes place, unless such trade is a redemption, retraction or cancellation of the Trust Unit in accordance with its terms, or is made for the purposes of giving collateral for a bona fide debt.

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

2.2 Orders

2.2.1 Aurion Capital Management Inc. and Aurion Investment Funds - NI 81-106 Investment Fund Continuous Disclosure, ss. 2.1(2), 17.1

Headnote

Exemptive Relief granted to an investment fund from the requirement to audit annual financial statements - Exemption granted because the investment fund is, in substance, a pension plan.

Applicable Legislative Provisions

National Instrument 81-106 - Investment Fund Continuous Disclosure, ss. 2.1(2), s.17.1.

February 22, 2008

**IN THE MATTER OF
NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE
(NI 81-106)**

AND

**IN THE MATTER OF
AURION CAPITAL MANAGEMENT INC.
(the Applicant)**

AND

**IN THE MATTER OF
AURION INVESTMENT FUNDS**

ORDER

Background

The Ontario Securities Commission received an application from the Applicant for a decision pursuant to section 17.1 of NI 81-106 exempting the Aurion Investment Funds which currently consist of the funds set out in Schedule A, and such other funds as the Applicant may create in the future (individually a **Fund** and collectively the **Funds**) from the requirement in section 2.1(2) of NI 81-106 that the annual financial statements of the Funds be audited (the **Requested Relief**).

Representations

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

1. The Applicant is a corporation incorporated under the laws of Canada and is registered as an adviser in Ontario and in certain other provinces. The Applicant is also registered as a limited market dealer in Ontario.
2. Each Fund is or will be governed by a general trust agreement (the **GTA**) and a regulation

specific to that Fund in accordance with the laws of Ontario. Pursuant to the **GTA**, units of each Fund may only be purchased by the Shell Canada Pension Trust, the Shell Savings Fund and/or any other pension plan established by Shell Canada Limited in the future (the **Shell Canada Pension Plans**).

3. Historically, the Applicant managed various accounts for the Shell Canada Pension Plans, each with a different mandate. For corporate governance reasons, the Funds were created in 2006 to manage the assets of the Shell Canada Pension Plans.
4. Each Fund is a "mutual fund in the jurisdiction" (as such term is defined in NI 81-106) as each Fund is governed by the laws of Ontario. No Fund is or will become a reporting issuer.
5. The Funds' annual financial statements are prepared in accordance with the requirements of NI 81-106. Such statements are prepared and currently audited at the same time as those of the Shell Canada Pension Plans and are reported on by the same auditor.
6. The audited annual financial statements of the Shell Canada Pension Plans incorporate financial disclosure about the Funds. As part of the audit of the Shell Canada Pension Plans the auditors will perform audit procedures on the net asset value of the Funds, and on the existence and valuations of the investments held by the Funds.
7. The Alberta Superintendent of Pensions regulates the Shell Canada Pension Plans and reviews the audited annual financial statements of the Shell Canada Pension Plans.
8. The Shell Canada Pension Plans are of the view that no additional benefit will be derived from separately auditing the annual financial statements of the Funds and consequently have determined that it is unnecessary to incur the expense of obtaining a separate auditor's report on the annual financial statements of the Funds.

Order

The Director is satisfied that it would not be prejudicial to the public interest to grant the Requested Relief and orders that the Funds are exempt from the requirement to prepare audited annual financial statements, provided that the only investors in the Funds are the Shell Canada Pension Plans.

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

SCHEDULE A

1. Aurion APP Bond Fund
2. Aurion APP Canadian Balanced Fund
3. Aurion APP Equity Fund
4. Aurion Balanced Savings Fund
5. Aurion Canadian Bond Fund
6. Aurion Canadian Equity Fund
7. Aurion Canadian Short Term Investment Fund
8. Aurion DC Canadian Bond Fund
9. Aurion DC Canadian Equity Fund
10. Aurion DC Canadian Short Term Investment Fund
11. Aurion DC Plan Canadian Balanced Fund
12. Aurion International Daily Equity Fund
13. Aurion US Short Term Investment Fund

2.2.2 C.A. Bancorp Canadian Realty Finance Corporation - s. 158(1.1) of the OBCA

Headnote

Order pursuant to subsection 158(1.1) of the Business Corporations Act(Ontario) that an offering corporation is authorized to dispense with its audit committee - Issuer is an investment fund - Issuer exempt from audit committee requirements of Multilateral Instrument 52-110 Audit Committees- Relief conditional upon issuer continuing to satisfy the criteria for relief from audit committee requirements of MI 52-110 or a successor instrument.

Ontario Legislative Provisions Cited

Business Corporations Act, R.S.O. 1990, c. B.16, s. 158(1.1).
Multilateral Instrument 52-110 Audit Committees, ss. 1.2.

February 19, 2008

**IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT,
R.S.O. 1990, CHAPTER B. 16, AS AMENDED
(the "OBCA")**

AND

**IN THE MATTER OF
C.A. BANCORP CANADIAN REALTY
FINANCE CORPORATION**

**ORDER
(Subsection 158(1.1) of the OBCA)**

UPON the application of C.A. Bancorp Canadian Realty Finance Corporation (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 158(1.1) of the OBCA for a determination that the Applicant be authorized to dispense with an audit committee;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation incorporated under the OBCA on December 21, 2007.
2. The Applicant is a non-redeemable investment fund under applicable securities legislation.
3. The Applicant filed a preliminary prospectus dated December 21, 2007 with the securities regulatory authority in each of the provinces and territories of Canada in respect of the offering of the Preferred Shares to the public (the "Offering"). Accordingly, upon completion of the Offering, the Applicant will be a reporting issuer and will be subject to the

securities legislation in each of the provinces and territories of Canada.

4. The Applicant's capital structure consists of: (a) an unlimited number of class J shares (the "Class J Shares"), (b) an unlimited number of class A shares (the "Class A Shares"), and (c) an unlimited number of non-voting preferred shares (the "Preferred Shares").
5. Before giving effect to the Offering of the Preferred Shares, one Class J Share will be issued and outstanding. A trust established for the benefit of the holders of the Preferred Shares and the Class A Shares will own all of the issued and outstanding Class J Shares.
6. On the closing of the Offering of the Preferred Shares, C.A. Bancorp will subscribe for Class A Shares such that the net proceeds of the issuance of the Class A Shares, after deducting the expenses of the Offering, equal at least 11.1% of the gross proceeds of the Offering. On the closing of the Offering all of the outstanding Class A Shares will be held by C.A. Bancorp.
7. Multilateral Instrument 52-110 Audit Committees does not apply to reporting issuers that are investment funds.
8. The Applicant is subject to the investment fund specific continuous disclosure and governance rules found in National Instrument 81-106 *Investment Fund Continuous Disclosure* and National Instrument 81-107 *Independent Review Committee for Investment Funds*.

AND UPON the Commission being satisfied that to do so would not be prejudicial to the Applicant's shareholders,

IT IS ORDERED, pursuant to subsection 158(1.1) of the OBCA, that the Applicant is authorized to dispense with an audit committee so long as the Applicant remains an investment fund under applicable securities legislation.

"James E. A. Turner"

"Carol S. Perry"

2.2.3 Franklin Danny White et al.

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

AND

**IN THE MATTER OF
FRANKLIN DANNY WHITE,
NAVEED AHMAD QURESHI,
WNBC THE WORLD NETWORK
BUSINESS CLUB LTD.,
MMCL MIND MANAGEMENT CONSULTING,
CAPITAL RESERVE FINANCIAL GROUP, and
CAPITAL INVESTMENTS OF AMERICA**

ORDER

WHEREAS on February 7, 2008, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and Statement of Allegations pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

AND WHEREAS the first appearance for this matter is scheduled for Thursday, February 28, 2008 at 11:00 a.m.;

AND WHEREAS Staff of the Commission ("Staff") appeared at the hearing held on Thursday February 28, 2008;

AND WHEREAS counsel for Naveed Ahmad Qureshi ("Qureshi"), Capital Reserve Financial Group ("Capital Reserve") and Capital Investments of America ("Capital Investments"), informed Staff by letter dated February 26, 2008, that counsel and these respondents would not be attending the hearing on February 28, 2008, and that they consent to adjourning this matter to a pre-hearing conference;

AND WHEREAS by letter dated February 26, 2008, Franklin Danny White ("White") wrote on behalf of himself and WNBC The World Network Business Club Ltd. ("WNBC") to inform Staff that White and WNBC would not be attending the hearing on February 28, 2008, and that they consent to adjourning this matter to a pre-hearing conference;

AND WHEREAS by hand-written addendum dated February 28, 2008, White wrote on behalf of MMCL Mind Management Consulting ("MMCL") to inform Staff that MMCL also consents to adjourning this matter to a pre-hearing conference;

AND WHEREAS having heard submissions from Staff as to the proposed adjournment agreed to by Staff and the respondents, the Commission expressed reservations about scheduling a pre-hearing conference without also setting a date for the hearing on the merits;

AND WHEREAS the Commission advised Staff that it would be willing to grant a brief adjournment of this matter to allow Staff to canvass potential hearing dates with the respondents;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

AND WHEREAS by Commission order dated April 4, 2007, pursuant to subsection 3.5(3) of the Act, each of W. David Wilson, James E. A. Turner, Lawrence E. Ritchie, Robert L. Shirriff, Harold P. Hands, Paul K. Bates and David L. Knight, acting alone, is authorized to make orders under section 127 of the Act;

IT IS HEREBY ORDERED that this matter be adjourned to March 18, 2008 at 3:00 p.m. for the purpose of scheduling hearing dates for the hearing on the merits and a pre-hearing conference.

DATED at Toronto on this 28th day of February, 2008.

“Lawrence E. Ritchie”

2.2.4 Swift Trade Inc. and Peter Beck - s. 127

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

AND -

**IN THE MATTER OF
SWIFT TRADE INC. AND PETER BECK**

**ORDER
(Section 127 of the Securities Act)**

WHEREAS on December 7, 2007, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing and a Statement of Allegations pursuant to Section 127 of the Securities Act, R.S.O. 1990, c. S.5, as amended, in respect of Swift Trade Inc. and Peter Beck (the “Respondents”);

AND WHEREAS on January 18, 2008, Staff and counsel for the Respondents attended before the Commission for a first appearance on this matter;

AND WHEREAS the hearing was adjourned to Wednesday, March 5, 2008 at 10:00 a.m. to be spoken to, or such other date as may be agreed to by the parties and fixed by the Secretary to the Commission;

AND WHEREAS Staff has requested and the Respondents have consented to the further adjournment of this matter to April 16, 2008 at 10:00 a.m.;

IT IS HEREBY ORDERED that:

The hearing is adjourned to April 16, 2008 at 10:00 a.m. to be spoken to, or such other date as may be agreed by the parties and fixed by the Secretary to the Commission.

DATED at Toronto this 4th day of March, 2008.

“James E. A. Turner”

2.2.5 Sunwide Finance Inc. et al. - ss. 127(1), 127(8)

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

AND

**IN THE MATTER OF
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**

**ORDER
(Subsections 127(1) & 127(8)
of the Securities Act)**

WHEREAS on November 19, 2007, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to sections 127(1) and 127(5) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act") ordering that Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Wi-Fi Framework Corporation, and their officers, directors, employees and/or agents cease trading in all securities immediately, including the securities of Wi-Fi Framework Corporation;

AND WHEREAS on November 19, 2007, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on November 21, 2007 the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on December 3, 2007 at 2:00 p.m.;

AND WHEREAS Staff served Sunwide Finance Inc., Sun Wide Group, Sun Wide Group Financial Insurers & Underwriters, Bryan Bowles, Steven Johnson, Frank R. Kaplan, and George Sutton by fax and email, while attempted service on Wi-Fi Framework Corporation was unsuccessful;

AND WHEREAS the Commission held a Hearing on December 3, 2007 and none of the Respondents attended before the Commission on December 3, 2007;

AND WHEREAS the Commission ordered that the Temporary Order be extended to March 4, 2008 and that the hearing be adjourned to that date;

AND WHEREAS the Commission held a Hearing on March 4, 2008 and none of the Respondents attended before the Commission;

AND WHEREAS the Commission is of the opinion that the time required to conclude a hearing could be

prejudicial to the public interest as set out in section 127(5) of the Act;

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

AND WHEREAS pursuant to section 127(8) satisfactory information has not been provided to the Commission by any of the Respondents;

IT IS HEREBY ORDERED pursuant to section 127(8) that the Temporary Order is extended until July 22, 2008.

IT IS FURTHER ORDERED that the Hearing is adjourned to July 22, 2008 at 2:30 p.m.

DATED at Toronto this 4th day of March 2008.

"James E. A. Turner"

"Margot C. Howard"

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
N.W.T Copper Mines Limited	04 Mar 08	14 Mar 08		
IATRA Life Sciences Corporation	04 Mar 08	14 Mar 08		

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
OSI Geospatial Inc.	03 Mar 08	14 Mar 08			
SunOpta Inc.	20 Feb 08	04 Mar 08	04 Mar 08		
Mad Catz Interactive, Inc.	15 Feb 08	28 Feb 08		29 Feb 08	

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		
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		
Peace Arch Entertainment Group Inc.	13 Dec 07	24 Dec 07	24 Dec 07		
SunOpta Inc.	20 Feb 08	04 Mar 08	04 Mar 08		
Mad Catz Interactive, Inc.	15 Feb 08	28 Feb 08		29 Feb 08	

This page intentionally left blank

Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

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
02/15/2008	6	4295820 Canada Inc. - Common Shares	484,999.50	1,616,665.00
03/30/2007 to 12/31/2007	5	A2 Fund - Units	9,097,871.74	1,020,811.79
01/01/2007 to 12/31/2007	223	Acuity Pooled Canadian Balanced Fund - Trust Units	20,696,109.36	1,035,961.09
01/01/2007 to 12/31/2007	110	Acuity Pooled Canadian Equity Fund - Trust Units	6,850,811.47	252,241.39
01/01/2007 to 12/31/2007	243	Acuity Pooled Canadian Small Cap Fund - Trust Units	61,248,884.45	1,633,811.60
01/01/2007 to 12/31/2007	64	Acuity Pooled Conservative Asset Allocation - Trust Units	7,959,348.50	439,591.82
01/01/2007 to 12/31/2007	58	Acuity Pooled Dividend Fund - Trust Units	1,886,277.84	168,767.67
01/01/2007 to 12/31/2007	7	Acuity Pooled EAFE Equity Fund - Trust Units	632,038.24	62,933.00
01/01/2007 to 12/31/2007	145	Acuity Pooled Fixed Income Fund - Trust Units	21,551,333.41	1,453,445.17
01/01/2007 to 12/31/2007	5	Acuity Pooled Global Balanced Fund - Trust Units	361,012.47	25,683.24
01/01/2007 to 12/31/2007	46	Acuity Pooled Global Dividend Fund - Trust Units	3,666,014.91	348,580.47
01/01/2007 to 12/31/2007	24	Acuity Pooled Global Equity Fund - Trust Units	4,644,208.63	244,057.79
01/01/2007 to 12/31/2007	110	Acuity Pooled Global High Income Fund - Trust Units	10,080,495.31	958,596.39
01/01/2007 to 12/31/2007	62	Acuity Pooled Growth & Income Fund - Trust Units	1,652,634.13	121,512.51
01/01/2007 to 12/31/2007	1118	Acuity Pooled High Income Fund - Trust Units	45,424,644.68	2,119,366.52
01/01/2007 to 12/31/2007	34	Acuity Pooled Income Trust Fund - Trust Units	2,974,605.83	151,471.32
01/01/2007 to 12/31/2007	331	Acuity Pooled Pure Canadian Equity Fund - Trust Units	29,902,070.51	1,171,047.14
01/01/2007 to 12/31/2007	41	Acuity Pooled Short Term Fund - Trust Units	14,551,838.60	1,788,473.48
01/01/2007 to 12/31/2007	28	Acuity Pooled Social Values Canadian Equity Fund - Trust Units	2,519,849.21	124,604.78

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
01/01/2007 to 12/31/2007	4	Acuity Pooled US Equity Fund - Trust Units	300,000.00	27,334.58
01/01/2007 to 12/31/2007	4	Acuity Pooled Venture Fund - Trust Units	1,100,000.00	144,960.00
01/05/2007 to 12/28/2007	10	Alliance Global Research Growth Fund - Units	38,568,997.70	1,061,799.15
01/01/2007 to 12/31/2007	12	Alpha Balanced Portfolio - Units	1,525,804.50	155,925.71
01/01/2007 to 01/31/2008	8	Alpha Growth Portfolio - Units	740,505.72	72,951.20
02/04/2008	1	Apex Construction Systems, Inc. - Common Shares	17,209.00	15,562.00
02/06/2008	28	Ateba Technology & Environmental Inc. - Common Shares	750,000.00	75,000,000.00
02/15/2008	5	Atlas Precious Metals Inc. - Receipts	15,000,000.00	30,000,000.00
02/26/2008	2	Breathex Scientific Corp. - Common Shares	937.43	5,076,316.00
02/21/2008 to 02/26/2008	61	CareVest Blended Mortgage Investment Corporation - Preferred Shares	3,107,909.00	31,079,090.00
02/21/2008	46	CareVest First Mortgage Investment Corporation - Preferred Shares	1,233,599.00	1,233,599.00
02/22/2008	1	Care.com, Inc. - Preferred Shares	3,497.27	2,728,438.00
02/14/2008	389	Carrizo Oil & Gas, Inc. - Common Shares	142,209,000.00	2,225,000.00
01/01/2007 to 12/31/2007	203	CGO&V Balanced Fund - Units	23,789,447.43	N/A
01/01/2007 to 12/31/2007	39	CGO&V Bedford Fund - Units	2,741,693.05	N/A
01/01/2007 to 12/31/2007	28	CGO&V Canadian Equity Fund - Units	2,741,693.05	N/A
01/01/2007 to 12/31/2007	258	CGO&V Cumberland Fund - Units	23,963,836.57	N/A
01/01/2007 to 12/31/2007	11	CGO&V Enhanced Yield Fund - Units	4,455,720.00	N/A
01/01/2007 to 12/31/2007	137	CGO&V Equity Income Fund - Units	20,725,218.52	N/A
01/01/2007 to 12/31/2007	42	CGO&V Fixed Income Fund - Units	6,891,521.76	N/A
02/12/2008	1	Chiquita Brands International, Inc. - Notes	1,009,000.00	N/A
02/16/2008 to 02/22/2008	4	CMC Markets Canada Inc. - Contracts for Differences	8,000.00	4.00
06/21/2007 to 02/05/2008	12	Colorep Inc. - Common Shares	7,027,317.28	5,787,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
09/27/2007 to 11/07/2007	23	CommerceTel Canada Corporation - Common Shares	2,675,225.00	7,640,642.85
02/19/2008	11	Copper Ridge Explorations Inc. - Units	202,000.00	1,346,666.00
02/22/2008	10	COSTA Energy Inc. - Units	990,000.00	990,000.00
02/20/2008	1	Desert Gold Ventures Inc. - Common Shares	3,039.40	4,676.00
02/12/2008 to 02/13/2008	19	DIRTT Environmental Solutions Ltd. - Units	7,458,802.50	2,131,086.00
02/07/2008	1	Elko Energy Inc. - Common Shares	50,568.97	100,000.00
12/29/2006	1	Elliott & Page Diversified Fund - Units	16,712,111.12	1,457,695.60
02/16/2008	3	Equimor Mortgage Investment Corporation - Common Shares	34,745.00	34,754.00
02/18/2008	2	Explor Resources inc. - Common Shares	17,250.00	50,000.00
02/14/2008	1	First Leaside Fund - Units	20,000.00	20,000.00
11/06/2007 to 01/10/2008	3	Global Link Solutions - Common Shares	57,000.00	57,000.00
02/08/2008	3	Gold Summit Corporation - Units	308,060.00	2,464,480.00
02/11/2008	2	Grantium Inc. - Notes	200,000.00	2.00
02/12/2008	32	High Ridge Resources Inc. - Units	830,700.00	2,769,000.00
01/02/2007 to 12/27/2007	44	Highstreet Canadian Bond Fund - Units	31,435,627.00	3,023,962.00
01/02/2007 to 12/31/2007	94	Highstreet Canadian Equity Fund - Units	81,429,310.15	2,127,947.00
01/02/2007 to 12/17/2007	35	Highstreet Canadian Growth Fund - Units	2,387,517.76	137,381.00
01/02/2007 to 12/17/2007	30	Highstreet Canadian Small Cap Fund - Units	2,065,124.30	132,418.00
02/01/2007 to 12/28/2007	30	Highstreet International Equity Fund A - Units	4,434,041.48	357,760.00
01/02/2007 to 12/20/2007	71	Highstreet Money Market Fund - Units	26,271,516.00	2,627,152.00
01/02/2007 to 12/27/2007	27	Highstreet US Equity Fund - Units	4,590,881.99	439,959.00
02/19/2008	8	HSBC Bank Canada - Notes	1,423,940.00	56.00
02/21/2008	2	Igloo Inc. - Common Shares	8,000,000.00	800,000.00
11/30/2007	42	InFraReDx, Inc. - Common Shares	15,629,446.44	6,192,526.00
02/14/2008	3	Kleer Semiconductor Corporation - Common Shares	6,181,456.89	5,800,354.00
02/20/2008	16	Locate Technologies Inc. - Common Shares	511,776.50	893,547.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
11/01/2007	9	Magenta II Mortgage Investment Corporation - Common Shares	425,999.64	425,999.64
01/01/2008	1	Major League Soccer, L.L.C. - Units	4,963,500.00	7.50
12/29/2006	1	Manulife Simplicity Growth Portfolio Pooled Fund - Units	14,100,000.00	1,296,403.75
12/29/2006	1	MFC Global Asset Management Pooled U.S. Mid Cap Fund - Units	21,937.85	2,416.89
12/29/2006	1	MFC Global Investment Management EAFE Pooled Fund - Units	12,248,881.46	1,233,782.82
12/29/2006	1	MFC Global Investment Management Pooled Canadian Active Long Bond Fund - Units	98,968,372.76	9,894,404.45
12/29/2006	1	MFC Global Investment Management Pooled Canadian Active Universe Fund - Units	98,286,255.16	9,825,451.75
12/29/2006	1	MFC Global Investment Management Pooled Canadian Bond Index Fund - Units	73,895,785.07	6,966,235.34
12/26/2006	1	MFC Global Investment Management Pooled Canadian Equity Fund - Units	733,582.63	87,210.83
12/29/2006	1	MFC Global Investment Management Pooled Canadian Index Fund - Units	75,684,181.28	4,494,846.49
12/29/2006	1	MFC Global Investment Management Pooled Canadian Large Cap Growth Fund - Units	507,251.41	50,625.91
12/29/2006	1	MFC Global Investment Management Pooled Canadian Value Equity Fund - Units	3,091,937.90	291,667.49
12/29/2006	1	MFC Global Investment Management Pooled Global Equity Fund - Units	10,000,000.00	1,000,000.00
12/29/2006	1	MFC Global Investment Management Pooled Japanese Value Equity Fund - Units	517,403.70	66,237.89
12/29/2006	1	MFC Global Investment Management Pooled Short Term Fund - Units	171,726.26	21,507.72
12/29/2006	1	MFC Global Investment Management Pooled US Index Fund - Units	19,265,762.18	2,080,174.72
12/29/2006	1	MFC Global Investment Management Pooled U.S. Equity Fund - Units	4,700,561.18	746,128.77
12/29/2006	1	MFC Global Investment Management Pooled U.S. Large Cap Fund - Units	64,643,347.48	6,464,594.07
12/29/2006	1	MFC Global Investment Management Pooled U.S. Large Cap Value Fund - Units	167,500.00	16,716.23
02/16/2008 to 02/25/2008	18	Nelson Financial Group Ltd. - Notes	1,390,769.32	N/A
12/18/2007	3	New Life Capital Investments Inc. - Units	200,000.00	40,000.00
02/21/2008	4	Newport Diversified Hedge Fund - Units	76,728.64	598.06
02/22/2008	38	Nordic Oil and Gas Ltd. - Units	1,026,840.00	2,416,094.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
02/15/2008	35	pan - Common Shares	913,750.00	6,091,666.00
02/22/2008	1	Pele Mountain Resources Inc. - Units	150,000.00	326,087.00
02/22/2008	2	Pele Mountain Resources Inc. - Units	950,000.00	2,375,000.00
02/22/2008	1	ProMetic Life Sciences Inc. - Common Shares	150,000.00	410,958.00
02/19/2008	1	ProMetic Life Sciences Inc. - Common Shares	730,000.00	200,000.00
02/14/2008	6	Real Equity Registered Capital Ltd. - Bonds	423,700.00	4,237.00
02/14/2008	6	Real Equity Registered Investments Ltd. - Common Shares	423.70	4,237.00
09/14/2007 to 12/31/2007	8	Scotia European Fund - Units	5,974,290.54	462,648.00
10/12/2007	51	Sheffield Resources Ltd. - Units	1,251,300.00	15,000.00
02/20/2008	2	Signal Hill Equity Partners II GP, LP - Limited Partnership Interest	44,051.25	N/A
02/20/2008	17	Signal Hill Equity Partners II, LP - Limited Partnership Interest	18,050,000.00	N/A
01/01/2008	1	Soccer United Marketing, LLC - Unit	4,963,500.00	1.00
02/20/2008	34	Stoneset Quities Ltd. - Common Shares	685,092.45	1,957,407.00
02/12/2008	2	Sysco Corporation - Notes	2,018,000.00	N/A
01/25/2007 to 12/21/2007	92	UBS (CH) Global Alpha Strategies - Units	10,907,578.44	10,841.70
02/19/2008	6	Walton AZ Sunland View Limited Partnership - Units	1,742,382.00	171,191.00
02/21/2008	22	Walton Brant County Land 3 Investment Corporation - Common Shares	321,290.00	32,129.00
02/21/2008	1	XTO Energy Inc. - Units	1,690,590.00	30,000.00

This page intentionally left blank

Chapter 9

Legislation

9.1.1 O. Reg. 31/08, amending R.R.O. 1990, Reg. 1015 (made under the Securities Act)

ONTARIO REGULATION 31/08
MADE UNDER THE
SECURITIES ACT
AMENDING REG. 1015 OF R.R.O. 1990
(GENERAL)

Note: Regulation 1015 has previously been amended. Those amendments are listed in the Table of Current Consolidated Regulations – Legislative History Overview which can be found at www.e-Laws.gov.on.ca.

1. Sections 44, 54 and 237 of Regulation 1015 of the Revised Regulations of Ontario, 1990 are revoked.
2. Forms 15 and 45 of the Regulation are revoked.
3. This Regulation comes into force on the day that the rule made by the Ontario Securities Commission on November 29, 2007 entitled “National Instrument 41-101 *General Prospectus Requirements*” comes into force.

Made by:

ONTARIO SECURITIES COMMISSION:

“Lawrence E. Ritchie”
Lawrence E. Ritchie, Vice-Chair

“James E.A. Turner”
James E.A. Turner, Vice-Chair

Date made: November 29, 2007.

I approve this Regulation.

“Dwight Duncan”
Minister of Finance

Date approved: February 15, 2008.

Note: The rule made by the Ontario Securities Commission on November 29, 2007 entitled “National Instrument 41-101 *General Prospectus Requirements*” comes into force on March 17, 2008.

This page intentionally left blank

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Bannerman Resources Limited
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated March 3, 2008
Mutual Reliance Review System Receipt dated March 3, 2008

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Haywood Securities Inc.
GMP Securities L.P.
Cormark Securities Inc.
Thomas Weisel Partners Canada Inc.

Promoter(s):

-

Project #1224883

Issuer Name:

Birchcliff Energy Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated February 27, 2008
Mutual Reliance Review System Receipt dated February 27, 2008

Offering Price and Description:

\$100,000,000.00 - 12,500,000 Common Shares -and-
\$15,000,000.00 - 1,522,843 Flow-Through Shares
Price: \$8.00 per Common Share \$9.85 per Flow-Through Share

Underwriter(s) or Distributor(s):

GMP Securities LP
Scotia Capital Inc.
Cormark Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Raymond James Ltd.
RBC Dominion Securities Inc.

Promoter(s):

-

Project #1221099

Issuer Name:

Boston Pizza Royalties Income Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated February 29, 2008
Mutual Reliance Review System Receipt dated February 29, 2008

Offering Price and Description:

\$36,521,050.00 - 2,945,246 Units Price: \$12.40 per Unit

Underwriter(s) or Distributor(s):

TD Securities Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
Dundee Securities Corporation

Promoter(s):

-

Project #1223560

Issuer Name:

Canadian Royalties Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated March 3, 2008
Mutual Reliance Review System Receipt dated March 4, 2008

Offering Price and Description:

\$ * - * % Convertible Senior Unsecured Debentures due
March 31, 2015

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Raymond James Ltd.
Desjardins Securities Inc.

Promoter(s):

-

Project #1225523

Issuer Name:

Churchill VI Debenture Corp.
Churchill VI Real Estate Limited Partnership
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated February 28, 2008
Mutual Reliance Review System Receipt dated March 3, 2008

Offering Price and Description:

\$2,500,000.00 to 30,000,000.00 - 2,000 to 24,000 Units
Price: \$1,250 per Unit Minimum Subscription: \$5,000.00
Each Unit is comprised of one unit of the Limited Partnership having a price of \$250 and one Series A Debenture of the Debenture Issuer in the principal amount of \$1,000 maturing on December 31, 2013. The Debentures bear simple interest at a rate of 8.5% per annum, payable quarterly in arrears on the 15th day after the end of each calendar quarter, commencing July 15, 2008.

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
Raymond James Limited
RBC Dominion Securities Inc.

Promoter(s):

Churchill International Securities Corporation
Project #1224431/1224425

Issuer Name:

Copernican International Dividend Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated February 27, 2008
Mutual Reliance Review System Receipt dated February 28, 2008

Offering Price and Description:

Mutual fund trust units at net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Copernican Capital Corp.
Project #1222285

Issuer Name:

Crombie Real Estate Investment Trust
Principal Regulator - Nova Scotia

Type and Date:

Preliminary Short Form Prospectus dated February 29, 2008

Mutual Reliance Review System Receipt dated February 29, 2008

Offering Price and Description:

\$60,005,000.00 - 5,455,000 Subscription Receipts each representing the right to receive one Unit and \$30,000,000.00 - 7.0% Extendible Convertible Unsecured Subordinated Debentures Price: \$11.00 per Subscription Receipt Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #1223592

Issuer Name:

Franco-Nevada Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated February 28, 2008

Mutual Reliance Review System Receipt dated February 28, 2008

Offering Price and Description:

\$232,500,000.00 - 10,000,000 Units Price: \$23.25 per Unit

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
UBS Securities Canada Inc.
CIBC World Markets Inc.
GMP Securities L.P.
RBC Dominion Securities Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Dundee Securities Corporation
Genuity Capital Markets
Paradigm Capital Inc.
Wellington West Capital Markets Inc.

Promoter(s):

-

Project #1221715

Issuer Name:

John Deere Credit Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Base Shelf Prospectus dated
February 29, 2008
Mutual Reliance Review System Receipt dated February
29, 2008

Offering Price and Description:

\$2,000,000,000.00 - Medium Term Notes (Unsecured)
Unconditionally guaranteed as to payment of principal,
premium (if any), interest and certain other amounts by
JOHN DEERE CAPITAL CORPORATION

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.

Promoter(s):

-

Project #1223804

Issuer Name:

Jov Fiera Balanced ETF Portfolio
Jov Fiera Conservative ETF Portfolio
Jov Fiera Growth ETF Portfolio
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated February 29,
2008
Mutual Reliance Review System Receipt dated March 3,
2008

Offering Price and Description:

Series A, F, I and T Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

JovFunds Management Inc.

Project #1225040

Issuer Name:

NEW DAWN MINING CORP.
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Prospectus dated
February 28, 2008
Mutual Reliance Review System Receipt dated March 3,
2008

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

MGI SECURITIES INC.

Promoter(s):

-

Project #1209561

Issuer Name:

Sterling Resources Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated February 27,
2008
Mutual Reliance Review System Receipt dated February
27, 2008

Offering Price and Description:

\$35,000,000.00 - 14,000,000 Common Shares Price: \$2.50
per Common Share

Underwriter(s) or Distributor(s):

Wellington West Capital Markets Inc.
Canaccord Capital Corporation
Maison Placements Canada Inc.
RBC Dominion Securities Inc.

Promoter(s):

-

Project #1221431

Issuer Name:

Mutual Fund Series, Series D, Series F, Series O
Securities (unless otherwise indicated) of:
AGF Germany Class of AGF All World Tax Advantage
Group Limited

AGF European Equity Class
of AGF All World Tax Advantage Group Limited (also offers
Series G and Series H)

AGF Aggressive Japan Class of AGF All World Tax
Advantage Group Limited

AGF Japan Class of AGF All World Tax Advantage Group
Limited

AGF RSP Global Bond Fund
AGF Global Government Bond Fund
AGF World Companies Fund
Principal Regulator - Ontario

Type and Date:

Amendment No. 6 dated February 26th, 2008 to the
Simplified Prospectuses dated April 20th, 2007 and for an
Amendment No. 7 dated
February 26th, 2008 to the Annual Information Forms dated
April 20th, 2007

Mutual Reliance Review System Receipt dated March 4,
2008

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

-

Project #1066188

Issuer Name:

AllBanc Split Corp.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated March 3, 2008
Mutual Reliance Review System Receipt dated March 3, 2008

Offering Price and Description:

\$35,560,594 - 1,329,368 Class B Preferred Shares @
\$26.75 per Class B Preferred Share

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

Promoter(s):

-

Project #1213024

Issuer Name:

BluMont Augen Québec Limited Partnership 2008
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 27, 2008
Mutual Reliance Review System Receipt dated February 28, 2008

Offering Price and Description:

Offering of Limited Partnership Units Maximum Offering:
\$15,000,000.00,500,000 Units)
Minimum Offering: \$5,000,000.0000,000 Units)

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Berkshire Securities Inc.
Desjardins Securities Inc.
TD Securities Inc.

Promoter(s):

Blumont Capital Corporation

Project #1214177

Issuer Name:

Catalyst Paper Corporation
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated February 29, 2008
Mutual Reliance Review System Receipt dated February 29, 2008

Offering Price and Description:

\$125,302,021.00 - Offering of Rights to Subscribe for
167,069,361 Subscription Receipts each Subscription
Receipt representing the right to receive one Common
Share at a price of \$0.75 per Subscription Receipt

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Genuity Capital Markets

Promoter(s):

-

Project #1217855

Issuer Name:

Ceramic Protection Corporation
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated February 27, 2008
Mutual Reliance Review System Receipt dated February 27, 2008

Offering Price and Description:

Minimum: 2,553,412 Common Shares (\$10,852,000.00);
Maximum: 3,530,000 Common Shares (\$15,002,500.00)
Price: \$4.25 per Common Share

Underwriter(s) or Distributor(s):

Clarus Securities Inc.
Paradigm Capital Inc.
Varsant Partners Inc.
MGI Securities Inc.

Promoter(s):

-

Project #1216428

Issuer Name:

China Opportunity Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 29, 2008
Mutual Reliance Review System Receipt dated March 3, 2008

Offering Price and Description:

Minimum Offering: \$500,000.00 (2,500,000 Common
Shares); Maximum Offering: \$1,500,000.00 (7,500,000
Common Shares) Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Jennings Capital Inc.

Promoter(s):

Jesse Kaplan

Project #1193598

Issuer Name:

Corsa Capital Ltd.
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated February 28, 2008
Mutual Reliance Review System Receipt dated March 4, 2008

Offering Price and Description:

\$1,225,000.00 - 3,500,000 Common Shares Price: \$0.35
per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

James R. Paterson

Project #1209186

Issuer Name:

Faircourt CSCRF 2008 No. 1 Limited Partnership
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated February 27, 2008
Mutual Reliance Review System Receipt dated February 28, 2008

Offering Price and Description:

\$25,000,000.00 (AXIMUM 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:

frontierAlt 2008 Precious Metals & Energy Flow-Through Limited Partnership
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 27, 2008
Mutual Reliance Review System Receipt dated February 28, 2008

Offering Price and Description:

Maximum Offering: \$40,000,000.00 (600,000 Units);
Minimum Offering: \$3,000,000.00 (20,000 Units)

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:

Wrap Series and Embedded Series Units of :
Harmony Americas Small Cap Equity Pool
Harmony Canadian Equity Pool
Harmony U.S. Equity Pool
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated February 26, 2008 to the Simplified Prospectuses and Annual Information Forms dated January 31, 2008
Mutual Reliance Review System Receipt dated March 4, 2008

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

AGF Fund Inc.
AGF Funds Inc.

Promoter(s):

AGF Funds Inc.

Project #1201199

Issuer Name:

Jiminex Inc.
Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated February 28, 2008
Mutual Reliance Review System Receipt dated March 3, 2008

Offering Price and Description:

\$350,000.00 or 3,500,000 Common Shares PRICE: \$0.10 per Common Share Agent's Option (as defined herein)
Incentive Stock Options (as defined herein)

Underwriter(s) or Distributor(s):

Leede Financial Markets Inc.

Promoter(s):

James R. B. Parres

Project #1206210

Issuer Name:

Series R Shares of:
Mackenzie Universal Canadian Resource Class of
Mackenzie Financial Capital Corporation

Type and Date:

Final Simplified Prospectuses dated February 28, 2008
Received on March 4, 2008

Offering Price and Description:

Mutual fund securities at net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1209580

Issuer Name:

Master Credit Card Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Base Shelf Prospectus dated February 27, 2008

Mutual Reliance Review System Receipt dated February 28, 2008

Offering Price and Description:

Up to \$3,000,000,000.00 Credit Card Receivables-Backed Notes

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.

Promoter(s):

Bank of Montreal

Project #1218431

Issuer Name:

Mazorro Resources Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 28, 2008

Mutual Reliance Review System Receipt dated February 29, 2008

Offering Price and Description:

Minimum Offering: 5,000,000 Units \$1,500,000.00;
Maximum Offering: 6,670,000 Units \$2,001,000.00: Price: \$ 0.30 per Unit

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

Andre Audet

Marc L Heureux

Todd Opalick

Marc Carbonneau

Project #1205901

Issuer Name:

Oculus Ventures Corporation
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 27, 2008

Mutual Reliance Review System Receipt dated February 28, 2008

Offering Price and Description:

\$400,000.00 or 4,000,000 Common Shares PRICE: \$0.10 per Common Share Agent's Option (as defined herein)
Incentive Stock Options (as defined herein)

Underwriter(s) or Distributor(s):

Investpro Securities Inc.

Promoter(s):

John Gabriel

Project #1207414

Issuer Name:

Petro Andina Resources Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated February 28, 2008

Mutual Reliance Review System Receipt dated February 29, 2008

Offering Price and Description:

\$31,200,000.00 - 2,600,000 Common Shares Price: \$12.00 per Common Share

Underwriter(s) or Distributor(s):

FirstEnergy Capital Corp.

Tristone Capital Inc.

Scotia Capital Inc.

Wellington West Capital Markets Inc.

Blackmont Capital Inc.

Promoter(s):

-

Project #1217995

Issuer Name:

PrimeWest Mortgage Investment Corporation
Principal Regulator - Saskatchewan

Type and Date:

Amendment #1 dated February 29, 2008 to the Prospectus dated December 5, 2007

Mutual Reliance Review System Receipt dated March 4, 2008

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Union Securities Ltd.

Promoter(s):

-

Project #1167620

Issuer Name:

Radiant All Equity Portfolio
Radiant All Income Portfolio
Radiant Balanced Portfolio
Radiant Bond Portfolio
Radiant Conservative Portfolio
Radiant Defensive Portfolio
Radiant Growth Portfolio
Radiant High Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated February 29, 2008

Mutual Reliance Review System Receipt dated March 3, 2008

Offering Price and Description:

Mutual fund trust units at net asset value

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.

Promoter(s):

-

Project #1209622

Issuer Name:

Wintraysan Capital Corp
Principal Regulator - British Columbia

Type and Date:

Final CPC Prospectus dated February 22, 2008
Mutual Reliance Review System Receipt dated February
27, 2008

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

Quest Holdings Ltd.

Project #1206782

This page intentionally left blank

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Sevenoaks Capital Inc.	Limited Market Dealer and Investment Counsel and Portfolio Manager	February 27, 2008
New Registration	Timbercreek Asset Management Inc.	Limited Market Dealer, Investment Counsel and Portfolio Manager	February 27, 2008
New Registration	Nordic Partners Inc.	International Dealer	February 27, 2008
New Registration	Pine Point Capital Advisors Inc.	Limited Market Dealer	March 3, 2008
New Registration	Coriolis Capital Limited	Non-Canadian Adviser (Investment Counsel & Portfolio Manager)	March 3, 2008
Voluntary Surrender of Registration	QFS Financial Services Ltd.	Mutual Fund Dealer	March 3, 2008
New Registration	Bromleigh Investment Management Inc.	Investment Counsel & Portfolio Manager	March 4, 2008

This page intentionally left blank

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Notice and Request for Comments - Joint Application of CIPF and the IDA

NOTICE AND REQUEST FOR COMMENTS JOINT APPLICATION OF CIPF AND THE IDA

A. Application

The Canadian Investor Protection Fund (CIPF) and the Investment Dealers Association of Canada (IDA) have applied to each member of the Canadian Securities Administrators (CSA) to amend the Memorandum of Understanding (MOU) between CIPF and the CSA and have applied to the Commission to amend its order approving CIPF as a compensation fund (Approval Order), to reflect the realignment of their regulatory roles and responsibilities.

The Commission is publishing the joint application of CIPF and the IDA (Joint Application) for comment together with the following related documents:

1. An amended By-law Number 1 of CIPF;
2. An amended and restated MOU between CIPF and the CSA; and
3. An amended and restated Approval Order.

The Joint Application seeks the CSA's approval of the realignment of the regulatory roles and responsibilities between CIPF and the IDA. The realignment would result in CIPF focusing on its primary functions of risk management, administration of member insolvencies, and payment of customer losses. CIPF would no longer have an oversight role over the IDA.

B. Proposed Approval Order and MOU

In response to the Joint Application, staff revised the current approach to regulatory oversight of CIPF in light of the approach to oversight of other regulated entities. Staff has proposed changes to the Approval Order and MOU to make them more consistent with those of other regulated entities. The amended MOU will focus on matters of coordination of CSA oversight and CIPF's reporting obligations. Other provisions that impose requirements on CIPF that are in the current MOU have been moved to the Approval Order.

The amended and restated Approval Order will establish terms and conditions for CIPF in the following areas:

1. Corporate governance
2. Funding and maintenance of CIPF
3. Customer protection
4. Financial and operational viability
5. Risk management
6. The Industry Agreement between CIPF and the IDA
7. Assistance to a Participating SRO
8. Collection of information
9. The MOU between CIPF and the CSA

C. Comment Process

We are seeking comments on the Joint Application and related documents. You are asked to provide your comments in writing and to send them on or before **April 7, 2008** to:

Ontario Securities Commission
c/o John Stevenson, Secretary
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario M5H 3S8
E-mail: jstevenson@osc.gov.on.ca

The confidentiality of submissions cannot be maintained because securities legislation in certain provinces requires that a summary of written comments received during the comment period be published.

If you have questions, you may contact:

Barbara Fydell
Ontario Securities Commission
(416) 593-8253

Christopher Byers
Ontario Securities Commission
(416) 593-2350

February 26, 2008

Ms. Brenda Leong
Executive Director
British Columbia Securities Commission
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, B.C. V7Y 1L2

Securities Commission of Newfoundland
P.O. Box 8700
2nd Floor, West Block
Confederation Building
St. John's, Newfoundland
A1B 4J6

Mr. William Rice, Chair
Alberta Securities Commission
300 – 5th Avenue S.W.
4th Floor
Calgary, Alberta
T2P 3C4

Office of the Attorney General
Registrar of Securities
P.O. Box 2000, 95 Rochford Street
5th Floor, Shaw Building
Charlottetown, Prince Edward Island
C1A 7N8

Ms. Barbara Shourounis
Executive Director
Saskatchewan Financial Services Commission
1919 Saskatchewan Drive, 6th Floor
Regina, Saskatchewan
S4P 4H2

New Brunswick Securities Commission
85 Charlotte Street
Suite 300
Saint John, New Brunswick
E2L 2J2

Mr. Donald G. Murray, Chair
Manitoba Securities Commission
500-400 St. Mary Avenue
Winnipeg, Manitoba
R3C 4K5

Securities Registry
Department of Justice
1st Floor Stuart M. Hodgson Building
5009-49th Street
Government of Northwest Territories
Yellowknife, Northwest Territories X1A 2L9

Mr. John Stevenson
Secretary to the Commission
Ontario Securities Commission
20 Queen Street West
Suite 1903
Toronto, Ontario M5H 3S8

Yukon Justice
Consumer Commercial Services
Corporate Affairs
2134 Second Avenue
Whitehorse, Yukon Territory
Y1A 2C6

Mr. Jean St. Gelais
Autorité des marchés financiers
800 Victoria Square
22 etage, C.P. 246
Montréal, Québec
H4Z 1G3

Nunavut Legal Registries
Department of Justice
Legal Registries Division
P.O. Box 1000 - Station 570
1st Floor, Brown Building
Iqaluit, Nunavut X0A 0H0

Mr. H. Leslie O'Brien, Q.C., Chair
Nova Scotia Securities Commission
Joseph Howe Building
P.O. Box 458, 2nd Floor
1690 Hollis Street
Halifax, Nova Scotia B3J 3J9

Dear Sirs/Mesdames:

Re: Alignment of Regulatory Relationship between the Investment Dealers Association of Canada and Canadian Investor Protection Fund

This letter constitutes the joint application ("Application") of the Investment Dealers Association of Canada / Association canadienne des courtiers en valeurs mobilières (the "IDA") and Canadian Investor Protection Fund / Fonds canadien de protection des épargnants ("CIPF") to each of the securities commissions addressed above (collectively, the "Commissions" and each a "Commission") for the variation orders and approvals, as the case may be, described below in connection with the realignment of the respective regulatory responsibilities and roles of the IDA and CIPF, and consequential amendments to the current oversight arrangements that each of the IDA and CIPF has with the relevant Commissions (the "Realignment").

ORDERS AND APPROVALS SOUGHT

Required

In order to effect the Realignment the following orders and/or approvals, as the case may be, will be required:

In respect of CIPF:

1. Approval to amend and restate the Memorandum of Understanding dated various dates in 2002 between CIPF and each of the Commissions (and by separate Memorandum of Understanding with the Quebec Securities Commission dated October 16, 2002) (together, the "CIPF MOU"); and
2. Variation of orders/approvals by the relevant Commissions approving or designating CIPF as a protection plan for customers of investment dealers pursuant to the applicable legislation (the "CIPF Approval Orders").

The specific legislative authority for each Commission in respect of the subject of this Application (including the relevant securities or commodity futures legislation) and identification of particulars of the IDA Oversight Agreement, CIPF MOU and CIPF Approval Orders are set out in Schedule A to this Application.

In respect of the IDA, approval to enact new IDA By-law 41 and amend By-law 21 and Form 1 to implement aspects of the Realignment will be required. Application for such approval has been made pursuant to the current IDA Joint Rule Protocol which is part of the IDA Oversight Agreement.

The Applicants are of the view that no immediate amendments or variations are required in respect of the orders/approvals by the relevant Commissions recognizing the IDA as a self-regulatory organization pursuant to the applicable legislation (together the "IDA Recognition Orders"). Such Orders refer to CIPF's oversight role but the Orders are permissive with respect to CIPF's authority and specifically contemplate that such role may be performed by the Commissions as contemplated by this Application.

The Application

This Application contemplates the fact that the IDA and Market Regulation Services, Inc. ("RS") have applied to the Commissions for approval of the combination of the member and market regulatory functions of the IDA and RS, respectively, into a single, new self-regulatory organization ("New Regco"). This Application is intended to be considered and, if acceptable, the orders/approvals granted separately from the application with respect to New Regco. If and when New Regco is approved by the Commissions and is effected as proposed, it would be expected that the arrangements proposed in this Application between the IDA and CIPF would continue as between New Regco and CIPF. Appropriate amendments to the relevant orders, approvals, by-laws and agreements contemplated by this Application will be sought and/or made to substitute, in effect, New Regco for the IDA.

SUMMARY

This Application seeks the approval of the Commissions for the Realignment of the regulatory responsibilities and roles of the IDA and CIPF such that CIPF no longer performs an oversight function in respect of the IDA as currently it is the only self-regulatory organization in Canada for investment dealers. The specific substantive changes contemplated by this Application are:

For the IDA:

- elimination of financial compliance oversight reporting to, and review by, CIPF which will be replaced by direct reporting by the IDA to the Commissions
- elimination of requirement to comply with CIPF minimum standards
- acceptance of CIPF assessments according to CIPF's adopted risk models, subject to certain aggregate limits and regulatory oversight
- right to recommend to CIPF's nominating committee an industry director for CIPF's board of directors (Governors)
- by-law amendments to bind IDA members to CIPF assessments and intervention authority in the event of potential losses being incurred

For CIPF:

- elimination of oversight responsibility with respect to IDA member regulation, except in the event of potential customer losses being incurred
- elimination of IDA member field examinations
- elimination of authority to set minimum standards
- primary functions to be risk management, administration of member insolvencies and payment of customer losses
- ability to determine assessments (risk differential assessments were recently adopted with notice to the Commissions) according to risk models adopted by CIPF, subject to certain aggregate limits and regulatory oversight
- reduction of size of board of directors from 12 to 8-10 to reflect its revised responsibilities

The foregoing substantive changes (and several lesser, incidental changes) in respect of each of the IDA and CIPF are proposed to be effected by or reflected in the draft documents filed in support of this Application. No other substantive changes are intended or expected as a result of the Realignment and, in particular, there will be no change to CIPF customer protection coverage.

DOCUMENTS FILED IN SUPPORT OF APPLICATION

The following documents are or have previously been filed with this Application in support of the orders/approvals sought:

- (a) draft revised Industry Agreement between CIPF and the IDA to replace the current Industry Agreement (including a marked version to identify the changes);
- (b) draft Termination Agreement in respect of the current Industry Agreement for The Toronto Stock Exchange and Bourse de Montréal Inc.;
- (c) draft revised CIPF By-law No. 1 (including a marked version to identify the changes to the current By-law);
- (d) study of the Canadian Securities Industry Regulatory Framework prepared by the IDA and endorsed by its Board at its September 2005 meeting and previously filed with the Commissions in 2005 (the "Regulatory Framework Study");
- (e) for information but not the subject of this Application, the request for approval and submission of the IDA to the Commissions pursuant to the Joint Rule Protocol in respect of draft IDA By-law 41 and draft amendments to IDA By-law 21 and Form 1, all previously filed with the Commissions in October 2006.

A revised CIPF MOU, approval / variation order of the Commissions will be required.

DISCUSSION

Background

The Study of the Canadian Securities Industry Regulatory Framework ("Regulatory Framework Study ") published by the IDA (and previously filed with each of the Commissions) explains comprehensively and with supporting documentation the rationale for the proposed Realignment. Reference should be made to the Regulatory Framework Study for detailed background information in respect of this Application.

The predecessor of CIPF, the National Contingency Fund ("NCF"), was established in 1969 as a compensation fund for the customers of insolvent members of the Toronto, Montreal, Canadian and Vancouver Stock Exchanges as well as of the IDA and other organizations joined over time including The Alberta Stock Exchange. At that time the primary role of the NCF was to compensate customers in the event of member insolvency and also to play a role in the administration of insolvent members on behalf of the securities industry as represented by the stock exchanges and the IDA. Over the years since its establishment in 1969, CIPF developed a regulatory role including the ability to prescribe to its sponsoring institutions minimum standards (relating to capital adequacy, books and records, internal control, insurance, securities segregation, audit and financial reporting and other prudential requirements) as well as an oversight role with respect to the sponsoring institutions. In practice and by

agreement, CIPF was relied on by the Commissions to oversee the sponsoring institutions in respect of their prudential regulation of their respective members.

In 1990, the NCF was substantially reorganized as CIPF as a result of a significant member failure and customer losses that the NCF had been required to pay for. At that time there were multiple sponsoring institutions of CIPF and a perception that there remained serious potential risk of loss to customers unless strong and uniform prudential regulations were in place and enforced. Accordingly, the role of CIPF as an oversight regulatory authority in respect of the prudential regulation of the members of its sponsoring institutions was enhanced at that time. In addition, since 1990 as securities markets have expanded, become more volatile, introduced more complicated and risky products and become subject to global influences, the regulatory oversight role of CIPF and the regulation of member firms in accordance with minimum standards has also been strengthened from time to time. It is to be noted that the arrangements as between CIPF and the sponsoring institutions over which it has had oversight responsibility has been primarily a co-operative exercise in that CIPF and representatives of the sponsoring institutions such as the IDA and their members work closely by committee and otherwise in reviewing market developments and existing rules, and developing new rules.

The IDA was one of the original sponsoring institutions of the NCF and, along with the other stock exchanges, participated in the regulation of investment and securities dealers who were members of sponsoring institutions in a manner co-ordinated in part by the Commissions and in part through the oversight of CIPF. However, in recent years at least two important changes have occurred. First, the IDA has developed into a sophisticated member self-regulatory organization ("SRO") with strong resources and expertise across Canada. This development occurred for a number of reasons including the occasion of the formal recognition of the IDA in most provinces of Canada under detailed term and conditions as well as through the acknowledgement by the industry itself that enhanced member regulation was required in the public interest. These considerations are reflected in the terms and requirements of the existing IDA Oversight Agreement with the Commissions. The second development relates to the fact that the member regulation function in the Canadian securities industry has been consolidated since the late 1990s to the point where the IDA is the only self-regulatory organization for investment and securities dealers. The fact that there are no longer multiple self-regulatory organizations reduces the need for at least one of CIPF's current functions, being the co-ordination of regulatory requirements through uniform minimum standards applicable to all SROs and stock exchanges.

In addition to the developments relating to both the IDA and CIPF described above with respect to the regulation of the Canadian securities industry, there has been general recognition in most industrialized countries around the world that more rigorous and effective regulation in the financial services industry at large has been required. The result has been the enactment of laws and regulations representing materially tougher and more onerous obligations on participants in the financial services industry including Canadian investment and securities dealers who are members of the IDA. While appropriate protections to the public and all participants in capital markets can be justified, there is a concurrent obligation to ensure that the regulatory system is as efficient as possible and unnecessary costs, duplication and anachronisms should be eliminated. The IDA and CIPF have both agreed that the proposed Realignment that is the subject of this Application will enhance the efficiency and effectiveness of the regulation of Canadian investment and securities dealers in part by eliminating identified duplication of function, cost burden and anachronisms.

The growing complexity and globalization of financial markets and the financial services industry in Canada and elsewhere in the world has also emphasized the need for regulatory specialization and sophistication. Under the proposed Realignment of the IDA and CIPF, the IDA would focus on its core function of member regulation and CIPF would focus on risk management and the administration of member insolvencies if and when they occur. Both of these specialized functions would be subject to the oversight of the Commissions as at present with the exception that CIPF would no longer have an oversight regulatory role with respect to the IDA.

Principal Amended Documents

The proposed Realignment described in this Application is to be effected by amendments to the principal documents governing the respective roles of CIPF and the IDA as set out below:

1. **Industry Agreement.** The existing Industry Agreement dated December 14, 2001 which became effective on January 1, 2002 and made between the IDA, The Toronto Stock Exchange (the "TSE"), Canadian Venture Exchange Inc. ("CDNX"), Bourse de Montréal Inc. ("Bourse") and CIPF will be amended in the form previously filed with the Commissions. The only continuing parties to the Industry Agreement will be the IDA and CIPF. The TSE, CDNX and Bourse have agreed to cease to be parties or to have rights under the Industry Agreement. As the only current SRO, the IDA will be entitled to recommend to the CIPF Governance and Nominating Committee a director but the appointment shall be determined by CIPF. The basis on which CIPF assessments will be made is clarified including the key principle that the directors of CIPF will adopt a formula or methodology which may reflect risks relating to various classes or groups of members and calculated in any manner that the directors consider relevant in addressing the identified risks. The responsibility for levying the assessments and collecting them would all be with the IDA (or any future SRO that may become a party to the Agreement). It is specifically acknowledged that the IDA's current adopted risk model will be made available to CIPF and no change will be made in such risk model without first providing CIPF

not less than 120 days notice. The ability of CIPF to establish minimum standards will be eliminated in recognition that the IDA will enact its own rules relating to the business and financial strength of its members in order to minimize the risk of insolvency. The Industry Agreement will provide that no changes will be made to such rules without appropriate notice to CIPF and the opportunity of CIPF to comment on such changes. CIPF also has the right when it considers necessary to advise an SRO as to any new rules or amendments that may be appropriate to be considered in the view of CIPF. The IDA will have a contractual obligation to CIPF to enforce the adopted rules against its members. It will remain an obligation of the IDA to provide prompt notice to CIPF of any circumstance where loss may be incurred (defined as a Reportable Condition). The reporting requirements as between the IDA and CIPF have been clarified. In addition to the right to reports, CIPF may review the business and operations of a member where a situation has occurred which may constitute a Reportable Condition. The IDA and CIPF will co-operate in such circumstances. As part of general co-operation between the IDA and CIPF, the Industry Agreement provides that representatives of the respective boards of both CIPF and the IDA shall meet at least once a year to report on and discuss such matters as are of current interest or concern. In addition, a dispute resolution provision has been included in the Agreement.

As a schedule to the Industry Agreement, it is proposed that an information sharing agreement be entered into that will provide for the specific rights and obligations of the parties with respect to shared information including privacy concerns.

2. **CIPF MOU.** Approval is sought for the amendment and restatement of the CIPF MOU. Apart from certain updating to reflect changes in CIPF's governance and constitution, the substantive changes proposed for the CIPF MOU are amendments to CIPF's quarterly reporting obligations to the Commissions, the elimination of the requirement to maintain minimum standards, the elimination of member examination and other oversight obligations and the elimination of current automatic reporting and reporting with respect to routine member regulation matters.
3. **CIPF By-laws.** As a result of the realigned role of the IDA with respect to CIPF, as well as a concurrent corporate governance review conducted by CIPF, certain amendments are proposed with respect to CIPF's By-laws relating to the internal governance of CIPF and its administration. Incidental aspects of the Realignment such as the reduction in the size of the CIPF board will be implemented in any event.

SUBMISSIONS

The IDA and CIPF have carefully considered the proposed Realignment of their respective regulatory responsibilities and roles and have negotiated the terms reflected in the documentation submitted in support of this Application including the revised Industry Agreement, CIPF By-law and CIPF MOU. In addition, the respective boards of directors/governors of both the IDA and CIPF have considered and approved the proposed amendments as being in the public interest and consistent with the regulatory roles and responsibilities of the respective organizations. As explained in the section above Discussion, Background, the Canadian and worldwide financial services industry has evolved rapidly in the past decade and more and the proposed changes are designed to enhance the efficiency and effectiveness of member regulation by the IDA and customer protection by CIPF, both under the oversight of the Commissions. Therefore, it is submitted that the orders and approvals requested by this Application be granted as being in the public interest.

The foregoing is respectfully submitted jointly by the IDA and CIPF and we will be pleased to discuss any aspects of this Application with the Commissions and their staff and provide additional information requested. Any such questions or requests may be directed to Louis Piergeti, Vice-President, Financial Compliance (416 865-3026) at the IDA and/or Rozanne Reszel, President and Chief Executive Officer (416 643-7105) at CIPF and you are further authorized to discuss any aspects of this Application with Bob Hutchison at Borden Ladner Gervais LLP (416 367 6212).

Yours very truly,

**INVESTMENT DEALERS ASSOCIATION
OF CANADA**

**CANADIAN INVESTOR PROTECTION
FUND**

Per: "S. Wolburgh Jenah"
Susan Wolburgh Jenah
President and Chief Executive Officer

Per: "R. Reszel"
Rozanne Reszel
President and Chief Executive Officer

cc: Barbara Fydell, Ontario Securities Commission

SCHEDULE A

Province or Territory	Legislative Reference
Alberta	Recognition of SROs <ul style="list-style-type: none"> • s. 64(1) <i>Securities Act</i> (recognition of SROs) • s. 64(6) <i>Securities Act</i> (power to make decision respecting procedures of an SRO) Power to vary decisions: <ul style="list-style-type: none"> • s. 64(3)(b) <i>Securities Act</i> (power to vary terms or conditions respecting an SRO) • s. 214(1) <i>Securities Act</i> (general power to revoke or vary decisions)
British Columbia	Approved Contingency Fund <ul style="list-style-type: none"> • s. 23(1) of the Securities Rules Recognition of SROs <ul style="list-style-type: none"> • s. 24(a) <i>Securities Act</i> (recognition of SROs) • s. 27(1)(b) <i>Securities Act</i> (power to make decision respecting procedures of an SRO) Power to vary decisions: <ul style="list-style-type: none"> • s. 171 <i>Securities Act</i>
Manitoba	Recognition of SROs <ul style="list-style-type: none"> • s. 31.1(1) <i>The Securities Act</i> (recognition of SROs) • s. 31.1(4) <i>The Securities Act</i> (power to make decision respecting procedures of an SRO) Power to vary decisions <ul style="list-style-type: none"> • s. 30(7) <i>The Securities Act</i> (power to make new order on material change in circumstances)
New Brunswick	Recognition of SROs <ul style="list-style-type: none"> • s. 35(1)(b) <i>Securities Act</i> (recognition of SROs) • s. 39(e) <i>Securities Act</i> (power to make decisions respecting procedures of an SRO) Power to vary decisions <ul style="list-style-type: none"> • s. 206(1) <i>Securities Act</i>
Newfoundland and Labrador	Recognition of SROs <ul style="list-style-type: none"> • s. 25(1) <i>Securities Act</i> (recognition of SROs) • s. 25(4) (power to make decisions respecting procedures of an SRO)
Northwest Territories	Recognition of SROs <ul style="list-style-type: none"> • s. 43.1 <i>Securities Act</i> (exemption order)
Nova Scotia	Approved Contingency Fund <ul style="list-style-type: none"> • s. 27 of the Securities Regulations Recognition of SROs <ul style="list-style-type: none"> • s. 30(1) <i>Securities Act</i> (recognition of SROs) • s. 151A(1)(a) <i>Securities Act</i> (power to exempt categories of persons) Power to vary decisions <ul style="list-style-type: none"> • s. 151 <i>Securities Act</i> (power to vary decisions)

<p>Nunavut Territory</p>	<p>Recognition of SROs</p> <ul style="list-style-type: none"> • s. 43.1 <i>Securities Act</i> (exemption order) <p>Approval of Contingency Fund</p> <ul style="list-style-type: none"> • s. 110 of Regulation 1015
<p>Ontario</p>	<p>Recognition of SROs</p> <ul style="list-style-type: none"> • s. 21.1(1) <i>Securities Act</i> (recognition of SROs) • s. 21.1(4) <i>Securities Act</i> (power to make decisions respecting procedures of an SRO) <p>Power to vary decisions</p> <ul style="list-style-type: none"> • s. 21.7(1) <i>Securities Act</i> (power to vary decisions respecting an SRO) • s. 144(1) <i>Securities Act</i> (power to vary decisions)
<p>Prince Edward Island</p>	<p>Recognition of SROs</p> <ul style="list-style-type: none"> • s. 40(1)(b) <i>Securities Act</i> (power to exempt categories of persons) <p>Power to vary decisions</p> <ul style="list-style-type: none"> • s. 31 <i>Securities Act</i> (power to vary decisions)
<p>Québec</p>	<p>Recognition of SROs</p> <ul style="list-style-type: none"> • s. 170 <i>Securities Act</i>
<p>Saskatchewan</p>	<p>Approved Contingency Fund</p> <ul style="list-style-type: none"> • s. 23(1)(a) of the Securities Regulation <p>Recognition of SROs</p> <ul style="list-style-type: none"> • s. 21(2) <i>Securities Act, 1988</i> <p>Power to vary decisions</p> <ul style="list-style-type: none"> • s. 158(3) <i>Securities Act, 1988</i> (power of Commission to vary decisions of Commission)
<p>Yukon Territory</p>	<p>Application procedure</p> <ul style="list-style-type: none"> • s. 37 <i>Securities Act</i>

Canadian Investor Protection Fund/
Fonds Canadian de Protection des Épargnants

BY-LAW NUMBER 1

BE IT ENACTED as a by-law of Canadian Investor Protection Fund/Fonds Canadien de protection des épargnants which was incorporated under the *Canada Corporations Act* (the "Act") or a predecessor thereof, as follows:

PART 1 – DEFINITIONS

1.1 In this By-law, the following words and terms shall have the meanings set out below:

"Associate", where used to indicate a relationship with any person, means:

- (a) any corporation of which such person beneficially owns, directly or indirectly, voting securities carrying more than ten percent (10%) of the voting rights attached to all voting securities of the corporation for the time being outstanding;
- (b) a partner of that person;
- (c) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity;
- (d) any relative of that person who resides in the same home as that person;
- (e) any person who resides in the same home as the person and to whom that person is married or with whom that person is living in a conjugal relationship outside of marriage; or
- (f) any relative of a person mentioned in clause (e) above, who has the same home as that person.

"Board" means the board of directors of the Corporation;

"Corporation" means the Canadian Investor Protection Fund/Fonds Canadien de protection des épargnants incorporated under the Act;

"directors" means the persons comprising the Board;

"Governance and Nominating Committee" means the committee established pursuant to Part 5 of this By-law;

"Industry Director" means a director elected (or appointed to fill a vacancy) and holding office pursuant to Section 4.2 of this By-law and who:

- (a) is not a Public Director or the President and Chief Executive Officer, and
- (b) is either
 - (i) actively engaged in the securities industry as a partner, director, officer or employee or person acting in a similar capacity of an SRO Member or of an affiliate or associated corporation of an SRO Member; or
 - (ii) familiar with most aspects of the securities industry;

"Members" means the members of the Corporation;

"Public Director" means a director elected or appointed and holding office pursuant to Section 4.2.2 of this By-law and who is not:

- (a) a current officer (other than the Chair or the Vice Chair) or employee of the Corporation;
- (b) a current director, officer, employee or person acting in a similar capacity of an SRO;
- (c) a person who qualifies as an Industry Director pursuant to subparagraph (b)(i) of the definition of an Industry Director; or

- (d) an Associate of a person described in subparagraph (a), (b) or (c) or of an SRO member.

For all purposes of this by-law, a Public Director as at the date this definition of Public Director becomes effective and who does not qualify as a Public Director under such definition shall be deemed to qualify as a Public Director and to continue so qualified as long as and until he or she ceases to be qualified as a Public Director according to the definition of that term in force immediately before the date this definition becomes effective.

"SRO" means a self-regulatory organization which the directors have approved as an SRO which regulates its SRO Members in accordance with the standards and such other terms and conditions as may be agreed between the Corporation and such SRO;

"SRO Member" means a securities dealer, broker or other firm which is a member, approved participant or similar participating organization of an SRO, provided that the directors may exclude any person or class of persons from this definition of SRO Member.

PART 2 – CONDITIONS OF MEMBERSHIP

- 2.1 **Membership.** Membership in the Corporation shall consist only of the persons who compose the Board from time to time. Subject to the terms of this By-Law and the Act, each Member shall have equal voting rights.
- 2.2 **Termination of Membership.** The membership of a Member shall terminate upon his or her resignation or removal from, or otherwise ceasing to hold, office as a director of the Corporation.

PART 3 – HEAD OFFICE

- 3.1 **Head Office.** Until changed in accordance with the Act, the head office of the Corporation shall be in the City of Toronto in the Province of Ontario.

PART 4 – BOARD OF DIRECTORS

- 4.1 **Composition of Board.** The property and business of the Corporation shall be managed by a Board consisting of not fewer than 8 or more than 12 directors and composed of an equal number of Industry Directors and Public Directors together with the Chair and the President and Chief Executive Officer of the Corporation. The number of directors shall be determined from time to time by a resolution passed at a meeting of the Members of the Corporation. Directors must be individuals who are at least 18 years of age with power under law to contract. The nomination and election of directors shall be made bearing in mind the desirability of appropriate and timely regional representation and, in the case of Industry Directors, experience with the various aspects of the nature of the business carried on by SRO Members.
- 4.2 **Election and Term.**
- 4.2.1 **Industry Directors.** Industry Directors shall be nominated by the Governance and Nominating Committee for election by the Members at an annual meeting of Members, provided that: (i) each Industry Director shall satisfy the criteria in the definition of "Industry Director"; (ii) one Industry Director shall have been recommended by each SRO for nomination by the Governance and Nominating Committee; and (iii) a majority of the Industry Directors satisfy the criteria in subparagraph (b)(i) of the definition of "Industry Director". An Industry Director shall hold office for a term of 3 years and shall be eligible for re-appointment for one additional 3-year term. Notwithstanding the foregoing, Industry Directors may be appointed or elected for a term of less than 3 years in order to accommodate staggered terms of office among all Industry Directors.
- 4.2.2 **Public Directors.** Public Directors shall be nominated by the Governance and Nominating Committee for election by the Members at an annual meeting of Members and shall hold office for a term of 3 years and be eligible for re-appointment for one additional 3-year term. Notwithstanding the foregoing, Public Directors may be elected for a term of less than 3 years in order to accommodate staggered terms of office among all Public Directors.
- 4.3 **Chair and Vice-Chair of the Board.** The Chair of the Board shall be nominated by the Governance and Nominating Committee for appointment by the Board from time to time. The person nominated as Chair may be a person who qualifies as either an Industry Director or a Public Director. The term of office of the Chair shall be as determined by the Board provided that the Chair shall not serve for a term longer than 4 consecutive years (calculated without reference to any terms served as a director). The Governance and Nominating Committee may also nominate from time to time one of the directors then in office for appointment by the Board as the Vice-Chair of the Board. The term of office of the Vice-Chair shall be as determined by the Board and the Vice-Chair shall be eligible to be appointed for a further term or terms, provided that the term of office of a Vice-Chair shall cease if he or she ceases to be a director.

4.4 **President and Chief Executive Officer.** The Board shall appoint a President of the Corporation who shall serve the Corporation on a full-time basis and who shall not, directly or indirectly, while so serving the Corporation, be engaged in the employ of or be an officer, director, shareholder or partner, as the case may be, of an SRO or of an SRO Member.

4.5 **Vacancies.** The office of director shall be automatically vacated:

- (a) if the director shall resign such office by delivering a written resignation to the secretary of the Corporation;
- (b) if the director is found by a court to be of unsound mind;
- (c) if the director becomes bankrupt;
- (d) if, at a meeting of the Board, the directors are of the opinion that due cause exists, including the fact that the director, without reasonable grounds, has not attended a sufficient number of Board meetings;
- (e) if the director becomes ineligible to be a director subsequent to his or her appointment;
- (f) on death;

provided that if any vacancy shall occur for any reason contained in this Section, and if a quorum of directors remains in office, the Board, by majority vote, may, by appointment, and on recommendation by the Governance and Nominating Committee, fill the vacancy with a qualified person who will serve until the next annual meeting of Members, except that if an Industry Director recommended by an SRO vacates or is deemed to have vacated his or her office for any of the reasons set out above, the SRO which recommended him or her shall be entitled to recommend to the Governance and Nominating Committee a replacement within 7 days of the date on which the office of such director is vacated.

4.6 **Retiring director.** Unless the office of a director has been automatically vacated pursuant to Section 4.5, a director shall remain in office until the dissolution or adjournment of the meeting at which a successor is elected or appointed.

4.7 **Place of Meeting, Notice, Voting and Quorum.** Meetings of the Board will be held in Toronto unless otherwise determined by the Board and may be held at any time to be determined by the directors provided that 24 hours' written notice of such meeting shall be given, other than by mail, to each director. Notice by mail shall be sent at least 14 days prior to the meeting. There shall be at least 1 meeting per calendar year of the Board. No error or omission in giving notice of any meeting of the Board or any adjourned meeting of the Board shall invalidate such meeting or make void any proceedings taken thereat and any director may at any time waive notice of such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. Each director is authorized to exercise 1 vote. A quorum for the transaction of all business of the Board shall be a majority of the directors provided that at least two Industry Directors and two Public Directors are present, together with one of either the Chair or the President. A quorum may be comprised in whole or in part of directors attending a meeting of the directors by means of teleconference or by other electronic means in accordance with Section 4.8. Notwithstanding anything contained herein, any director may, if in the opinion of the Chair, Vice-Chair or President the financial condition of an SRO Member is such that immediate action by the directors may be required, call a meeting of directors to consider the action to be taken by giving three hours' prior notice of such meeting by teleconference or other electronic means to each director, but no such notice shall be required where all of the directors are in attendance personally or by teleconference or other electronic means, as the case may be, in the manner referred to in Section 4.8 at a meeting so called.

4.8 **Meetings by Teleconference.** Directors may hold meetings by teleconference or by other electronic means that permit all persons participating in the meeting to hear each other.

4.8.1 If all of the directors of the Corporation consent thereto generally or in respect of a particular meeting, a director may participate in a meeting of the Board or of a committee of the Board by means of such conference telephone or other electronic communications facilities to which all directors have equal access and which permit all persons participating in the meeting to hear and communicate with each other. A director participating in a meeting by such means is deemed to be present at the meeting.

4.8.2 At the commencement of each such meeting, the secretary of the meeting will record the names of those persons in attendance in person or by electronic communications facilities and the chair of the meeting will determine whether a quorum is present. The chair of each such meeting shall determine the method of recording votes thereat, provided that any director present may require all persons present to declare their votes individually. The directors shall take such reasonable precautions as may be necessary to ensure that any electronic communications facilities used are secure from unauthorized interception or monitoring.

- 4.9 **Resolutions and Conduct of Meetings.** Resolutions will be passed by a majority of the directors present and voting on the resolution by a verbal vote recorded by the secretary, unless the Act or these by-laws otherwise provide. If permitted by law, a resolution in writing signed by all of the directors entitled to vote on that resolution at a meeting of directors or committee of directors is as valid as if it had been passed at a meeting of directors or committee of directors. In the absence of the Chair or the Vice-Chair at any meeting of directors, the chair of the meeting shall be selected by the directors present. The directors may make such other regulations governing their meetings, proceedings and any other administrative matters as they consider necessary or desirable.
- 4.10 **Remuneration of Directors.** The directors shall be entitled to receive such remuneration as the Board may determine from time to time; and a director may be paid reasonable expenses incurred by the director in the performance of his or her duties.
- 4.11 **Agents, Employees and Advisors.** The Board may appoint such agents, employees and advisors as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the Board at the time of such appointment.
- 4.12 **Remuneration of Officers, Agents, Employees and Committee Members.** A reasonable remuneration of all officers, agents and employees and committee members may be fixed by the Board or committee authorized by the Board.
- 4.13 **Committees.** The directors may in their sole discretion at any time and from time to time appoint from among their number committees consisting of one or more directors and may delegate to such committees any authority of the directors.

PART 5 – GOVERNANCE AND NOMINATING COMMITTEE

- 5.1 **Governance and Nominating Committee.** The Board shall appoint a Governance and Nominating Committee which shall be composed of such number of directors and carry out such duties and tasks as set out in the By-laws or as determined by the Board from time to time.

PART 6 – INTEREST OF DIRECTORS IN CONTRACT

- 6.1 (a) **Conflict of Interest.** Any director of the Corporation who:
- (i) is a party to a material contract or proposed material contract with the Corporation; or
 - (ii) is a director or officer of or has a material interest in any body corporate or business firm, whether direct or indirect, who is a party to a material contract or proposed material contract with the Corporation,
- shall disclose in writing, or have entered in the minutes, the nature and extent of such director's interest in such material contract or proposed material contract with the Corporation.
- (b) The disclosure required by (a) above, shall be made:
- (i) at the meeting at which a proposed contract is first considered;
 - (ii) if the director was not then interested in a proposed contract, at the first meeting after such director becomes so interested; or
 - (iii) if the director becomes interested after a contract is made, at the first meeting held after the director becomes so interested.
- (c) If a contract or a proposed contract is one that, in the ordinary course of carrying on the Corporation's purposes, would not require approval by the directors or Members, a director shall disclose in writing the nature and extent of the director's interest at the first meeting held after the director becomes aware of the contract or proposed contract.
- (d) A director referred to in sub-section (a) above is liable to account for any profit made on the contract by the director or by a corporate entity or business firm in which the director has a material interest, unless
- (i) the director disclosed the director's interest in accordance with sub-sections (b) or (c) above or (f) below;

- (ii) after such disclosure the contract was approved by the directors or Members; and
- (iii) the contract was reasonable and fair to the Corporation at the time it was approved.

Provided that a director who has made a declaration of the director's interest in a contract or a proposed contract and has not voted in respect of such contract contrary to the prohibition contained in sub-sections (e) below, if such prohibition applies, is not accountable to the Corporation or any of its Members or creditors by reason only of such director holding that office or of the fiduciary relationship thereby established, for any profit realized by such contract.

- (e) A director referred to in sub-sections (a) above shall not vote on any resolution to approve the contract, unless the contract is an arrangement by way of security for money lent to or obligations undertaken by the director for the benefit of the Corporation.
- (f) For the purposes of this Section 6.1, a general notice to the directors by a director declaring that the person is a director or officer of or has a material interest in a body corporate or business firm and is to be regarded as interested in any contract made therewith, is a sufficient declaration of interest in relation to any contract so made.
- (g) A contract is not void by reason only of the failure of a director to comply with the provisions of this Section 6.1 but a court may upon the application of the Corporation or a Member, set aside a contract in respect of which a director has failed to comply with the provisions of this Section 6.1, and the court may make any further order it thinks fit.

PART 7 – PROTECTION OF OFFICERS AND DIRECTORS

7.1 **Limitation of Liability.** No past or present member of the Board or any committee or sub-committee thereof or of the Corporation, nor any past or present officer, employee or agent of any of them, shall be liable for the acts, receipts, neglects or defaults of any other of such persons, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his or her office or in relation thereto; provided that nothing herein shall relieve any such person from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

7.2 **Indemnity.** Each past and present member of the Board or any committee or sub-committee thereof or of the Corporation, and each past and present officer, employee or agent of the Corporation, and any other person who has undertaken or is about to undertake any liability on behalf of the Corporation or any company controlled by it, and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against:

- (a) all costs, charges, fines and penalties and expenses which such Board, committee or sub-committee member, officer, employee, agent or other person sustains or incurs in or about or to settle any action, suit or proceeding which is threatened, brought, commenced or prosecuted against him or her, or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him or her, in or about the execution of the duties of his or her office or in respect of any such liability; and
- (b) all other costs, charges and expenses which he or she sustains or incurs in or about or in relation to the affairs thereof, including an amount representing the value of time any such Board, committee or sub-committee member, officer employee, agent or other person spent in relation thereto and any income or other taxes or assessments incurred in respect of the indemnification provided for in this By-law, except such costs, charges or expenses as are occasioned by his or her own wilful neglect or default.

The Corporation shall also indemnify such persons in such other circumstances as the Act permits or requires. Nothing in this By-law shall limit the right of any person entitled to indemnity apart from the provisions of this By-law.

7.3 **Action, Suit or Proceeding Threatened, Brought, etc. by the Corporation.** Where the action, suit or proceeding referred to in Section 7.2(a) above is threatened, brought, commenced or prosecuted by the Corporation against a Board, committee or sub-committee member, officer, employee, agent or other person who has undertaken or is about to undertake any liability on behalf of the Corporation or any company controlled by it, the Corporation shall make

application at its expense for approval of the court to indemnify such persons, and their heirs, executors and administrators, and estates and effects respectively, on the same terms as outlined in Section 7.2.

PART 8 – INSURANCE

- 8.1 **Insurance.** The Corporation may purchase and maintain insurance for the benefit of any person referred to in Section 7.2 against such liabilities and in such amounts as the Board may from time to time determine and are permitted by the Act.

PART 9 – POWERS OF DIRECTORS

- 9.1 **Powers.** The directors of the Corporation may administer the affairs of the Corporation in all things and make or cause to be made for the Corporation, in its name, any kind of contract which the Corporation may lawfully enter into and, save as hereinafter provided, generally, may exercise all such other powers and do all such other acts and things as the Corporation is by its charter or otherwise authorized to exercise and do.
- 9.2 **Audit Committee.** The Board shall appoint an audit committee composed of 3 or more directors. The audit committee shall be responsible for the review and approval of the Corporation's financial statements and such other functions as the Board may determine.
- 9.3 **Expenditures.** The directors shall have power to authorize expenditures on behalf of the Corporation from time to time and may delegate by resolution to an officer or officers of the Corporation the right to employ and pay salaries to employees on behalf of the Corporation.
- 9.4 **Funding.** The Board shall take such steps as they may deem requisite to enable the Corporation to acquire, accept, solicit or receive contributions, assessments, fines, levies, legacies, gifts, grants, settlements, bequests, endowments and donations of any kind whatsoever for the purpose of furthering the objects of the Corporation.

PART 10 – OFFICERS

- 10.1 **Appointment.** The officers of the Corporation, which shall include the offices of president, vice-president, secretary and chief financial officer and any such other officers as the Board may determine by by-law, shall be appointed by resolution of the Board at the first meeting of the Board following the annual meeting of Members in which the directors are elected. A person may hold more than one office. Each director, by reason of being such, shall be regarded an officer of the Corporation in addition to any other officers who may from time to time be appointed by the Board.
- 10.2 **Term and Removal of Officers.** The officers of the Corporation, other than those who are officers solely by reason of being members of the Board, shall hold office for such terms as the Board may determine or until their successors are elected or appointed in their stead and shall be subject to removal by resolution of the Board at any time.

PART 11 – DUTIES OF OFFICERS

- 11.1 **Chair.** The Chair shall be appointed pursuant to Section 4.3 and shall preside at all motions of Members and of the Board and shall oversee the general management of the affairs of the Corporation.
- 11.2 **Vice-Chair.** The Vice-Chair shall be appointed pursuant to Section 4.3 and in the absence of the Chair shall preside at meetings of the Members and of the Board and shall have such other duties as may be determined by the Board.
- 11.3 **President.** The President shall be the chief executive officer of the Corporation whose responsibilities, duties, remuneration, terms and duration of employment shall be determined from time to time by the Board. The President may engage as employees of the Corporation such number of persons as the Board in its discretion deems necessary to assist the President in the performance of his or her duties.
- 11.4 **Vice-President.** The Vice-President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties as shall from time to time be imposed upon the Vice-President by the Board.
- 11.5 **Chief Financial Officer.** The Chief Financial Officer shall be responsible for the financial administration and controls of the Corporation and shall perform such other duties as shall from time to time be imposed by the Board.
- 11.6 **Secretary.** The secretary may be empowered by the Board, upon resolution of the Board, to carry on the affairs of the Corporation generally under the supervision of the officers thereof and shall attend all meetings and act as clerk thereof and record all votes and minutes of all proceedings in the books to be kept for that purpose. The secretary shall give or

cause to be given notice of all meetings of the Members and of the Board and shall perform such other duties as may be prescribed by the Board or by the president, under whose supervision the secretary shall be. The secretary shall be custodian of the seal of the Corporation, which the secretary shall deliver only when authorized by a resolution of the Board to do so and to such person or persons as may be named in the resolution.

- 11.7 **Duties of Officers.** The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or as the Board requires of them.

PART 12 – EXECUTION OF DOCUMENTS

- 12.1 **Execution of Documents.** Contracts, documents or any instruments in writing requiring the signature of the Corporation shall be signed by any two of the Chair, a Vice-Chair, the President, a Vice-President or director, or a combination thereof, provided that any such contract, document or instrument that commits the Corporation to an expenditure or liability in excess of \$25,000 and does not relate to a matter that has been approved as part of an annual budget by the Board shall be required to be signed by a director other than the President, together with any person authorized according to the foregoing. All contracts, documents and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The directors shall have power from time to time by resolution to appoint persons on behalf of the Corporation to sign specific contracts, documents and instruments in writing. The directors may give the Corporation's power of attorney to any registered dealer in securities for the purposes of the transferring of and dealing with any stocks, bonds, and other securities of the Corporation. The seal of the Corporation when required may be affixed to contracts, documents and instruments in writing signed as aforesaid or by persons appointed by resolution of the Board.

PART 13 – MEMBERS' MEETINGS

- 13.1 **Time and Place of Meetings.** Meetings of the Members shall be held at least once a year or more often if necessary at the head office of the Corporation or at any place in Canada as the Board may determine and on such day as the Board shall appoint. The Board may resolve that a particular meeting of Members be held outside Canada.
- 13.2 **Annual Meetings.** At every annual meeting, in addition to any other business that may be transacted, the report of the directors, the financial statement and the report of the auditors shall be presented and auditors appointed for the ensuing year. The Members may consider and transact any business either special or general at any meeting of the Members. The Board, the Chair or the President shall have power to call, at any time, a general meeting of the Members. The Board shall call a special general meeting of Members on written requisition of those Members who carry not less than 20% of the voting rights. A majority of the Members entitled to vote will constitute a quorum at any meeting of Members. Such majority shall be either present in person or represented by proxy at such meeting.
- 13.3 **Written Resolutions.** A resolution in writing, signed by all the Members entitled to vote on that resolution at a meeting of Members, is as valid as if it had been passed at a meeting of Members, provided that the matter dealt with by the resolution in writing is one which is not required by the Act to be dealt with at a meeting of Members.
- 13.4 **Means of Meetings.** Members may hold meetings by teleconference or by other electronic means that permit all persons participating in the meeting to hear each other and communicate adequately. If all the Members of the Corporation consent thereto generally or in respect of a particular meeting, a Member may participate in a meeting of the Members by means of such conference telephone or other electronic communications to which all Members have equal access and such as permit all persons participating in the meeting to hear and communicate with each other, and a Member participating in such a meeting by such means is deemed to be present at the meeting. At the commencement of each such meeting the secretary of the meeting will record the names of those persons in attendance in person or by electronic communications facilities and the Chair will determine whether a quorum is present. The Chair of each such meeting shall determine the method of recording votes thereat, provided that any Member present may require all persons present to declare their votes individually. The Chair of such meetings shall be satisfied that Members have taken such reasonable precautions as may be necessary to ensure that any electronic communications facilities used are secure from unauthorized interception or monitoring.
- 13.5 **Resolutions.** Resolutions will be passed by a majority of the Members entitled to vote by a verbal vote recorded by the secretary, unless the Act or these by-laws otherwise provide.
- 13.6 **Notice.** Fourteen days' written notice shall be given to each voting Member of any meeting of Members. Notice of any meeting where special business will be transacted should contain sufficient information to permit the Member to form a reasoned judgment on the decision to be taken. Notice of each meeting of Members must state that the Member has the right to vote by proxy.

- 13.7 **Voting of Members and Proxies.** Each Member entitled to vote and who is present at a meeting shall have the right to exercise one vote. A Member may, by means of a written proxy, appoint a proxyholder to attend and act at a specific meeting of Members, in the manner and to the extent authorized by the proxy. A proxyholder need not be a Member of the Corporation.
- 13.8 **Errors or Omissions in Giving Notice.** No error or omission in giving notice of any meeting or any adjourned meeting, whether annual or general, of the Members shall invalidate such meeting or make void any proceedings taken thereat and any Member may at any time waive notice of any such meeting and may ratify, approve and confirm any or all proceedings taken or had thereat. For purpose of sending notice to any Member or officer for any meeting or otherwise, the address of the Member or officer shall be that person's last address recorded on the books of the Corporation.

PART 14 – POLICIES AND AGREEMENTS

- 14.1 **Policies.** The Board may exercise any of its powers and authority in accordance with policies, guidelines or other instruments adopted by it from time to time, and as repealed and amended in its discretion, including, without limitation, in respect of:
- (a) the principles and criteria for payments by the Corporation to customers of insolvent SRO Members;
 - (b) definitions of customers who are eligible for payments referred to in (a);
 - (c) the rights or obligations of SRO Members to hold out the availability of coverage by the Corporation and the use of advertising materials in that regard; and
 - (d) the persons or classes of persons to be excluded from the definition of SRO Member in Section 1.9.
- 14.2 **Agreements.** The Corporation may enter into in its own name agreements or arrangements with any securities commission or regulatory authority, law enforcement agency, self-regulatory organization, stock exchange or other trading market, customer or investor protection or compensation fund or plan or other organization regulating or providing services in connection with securities trading located in Canada or any other country for the exchange of any information (including information obtained by the Corporation pursuant to its authority or otherwise in its possession) and for other forms of mutual assistance for market surveillance, investigation, enforcement and other regulatory purposes relating to trading in securities in Canada or elsewhere.
- 14.3 **Assistance.** The Corporation may provide to any securities commission or regulatory authority, law enforcement agency, self-regulatory organization, stock exchange, other trading market, customer or investor protection or compensation fund or plan or other organization regulating or providing services in connection with securities trading located in Canada or any other country any information obtained by the Corporation pursuant to the By-laws or rules or otherwise in its possession and may provide other forms of assistance for surveillance, investigation, enforcement and other regulatory purposes.

PART 15 – FINANCIAL YEAR

- 15.1 **Financial Year.** The fiscal year-end of the Corporation shall be the last day of the month determined by the Board, in each year.

PART 16 – AMENDMENT OF BY-LAWS

- 16.1 **Amendment of By-laws.** The provisions of the by-laws of the Corporation not embodied in the letters patent may be repealed or amended by by-law enacted by 2/3 of the directors at a meeting of the Board and sanctioned by at least 2/3 of the Members entitled to vote and participating at a meeting duly called for the purpose of considering said by-law, provided that the repeal or amendment of such by-laws shall not be enforced or acted upon until the approval of the Minister of Industry Canada has been obtained.

PART 17 – AUDITOR

- 17.1 **Auditor.** The Members shall at each annual meeting appoint an auditor to audit the accounts of the Corporation for report to the Members at the next annual meeting. The auditor shall hold office until the next annual meeting, provided that the directors may fill any casual vacancy in the office of auditor. The remuneration of the auditor shall be fixed by the Board.

PART 18 – BOOKS AND RECORDS

- 18.1 **Books and Records.** The directors shall ensure that all necessary books and records of the Corporation required by the by-laws of the Corporation or by any applicable statute or law are regularly and properly kept.

PART 19 – RULES AND REGULATIONS

- 19.1 **Rules and Regulations.** The Board may prescribe such rules and regulations not inconsistent with these by-laws relating to the management and operation of the Corporation as they deem expedient.

PART 20 – INTERPRETATION

- 20.1 **Interpretation.** In these by-laws and in all other by-laws of the Corporation hereafter passed, unless the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and references to persons shall include firms and corporations.

MEMORANDUM OF UNDERSTANDING

B E T W E E N:

Alberta Securities Commission;
Autorité des marchés financiers (Québec);
British Columbia Securities Commission;
Manitoba Securities Commission;
New Brunswick Securities Commission;
Securities Division, Department of Government Services & Lands (Newfoundland and Labrador);
Office of the Registrar of Securities (Northwest Territories);
Nova Scotia Securities Commission;
Department of Justice, Legal Registries Division (Nunavut);
Ontario Securities Commission;
Department of Community Affairs and Attorney General (Prince Edward Island);
Saskatchewan Financial Services Commission;
Registrar of Securities (Yukon)

(each, a "Regulator")
(collectively, the "Canadian Securities Administrators")

– and –

Canadian Investor Protection Fund,
a corporation incorporated under the laws of Canada

The parties agree as follows:

1. Underlying Principles

1.1 Participation in a Compensation or Contingency Fund

The Canadian Securities Administrators (the "CSA") consist of the authority in each Canadian province and territory that, under statute, regulates the securities industry within its jurisdiction. Each Regulator is responsible for promoting both investor protection and fair and efficient capital markets in its jurisdiction.

Securities laws and regulations in each Canadian province and territory may require registered dealers to participate in a compensation fund or contingency trust fund approved by the Regulator or a contingency fund deemed acceptable by the Regulator (collectively, "compensation or contingency fund") and established by, among others, a self-regulatory organization ("SRO").

Certain Regulators have issued Approvals of or a Deemed Acceptable Decision for the Canadian Investor Protection Fund (the "CIPF") as a compensation or contingency fund.

1.2 The Canadian Investor Protection Fund

The CIPF was established by its sponsoring SROs to protect Customers who have suffered financial loss due to the failure of a Member Firm of any one of the sponsoring SROs. As of the effective date of this Memorandum of Understanding ("MOU"), the Investment Dealers Association of Canada ("IDA") is the CIPF's only sponsoring SRO.

The CIPF will enter into an Industry Agreement with the IDA, or its successor, which contemplates that other SROs may become parties to the agreement.

The CIPF acts, for the purpose of this MOU, as a compensation or contingency fund. It provides protection on a discretionary basis to prescribed limits to eligible Customers of Participating SRO Member Firms suffering losses if Customer property comprising securities, cash and other property held by such Member Firms is unavailable as a result of the insolvency of a Member Firm and, in connection with such coverage, will engage in risk management activities to minimize the likelihood of such losses.

The CIPF is financed by Member Firms through its Participating SROs.

1.3 The Memorandum of Understanding

On July 2, 1991, the CIPF entered into a MOU with twelve of the Regulators (the former Commission des valeurs mobilières du Québec (“CVMQ”) was not a party to that MOU), which MOU was subsequently amended. On June 20, 1997, the CIPF entered into a MOU with the CVMQ, which MOU was subsequently amended.

The CSA and the CIPF wish to amend and restate the MOU entered into on July 2, 1991, as amended, to reflect changes in the nature of the CIPF’s role and responsibilities and to enhance the protection of investors and maintain investor confidence in the Canadian capital markets. The Autorité des marchés financiers (“Autorité”) wishes to rescind the MOU between the CIPF and the CVMQ and to become a party to the amended and restated MOU between the CSA and the CIPF.

The Approvals or Deemed Acceptable Decision issued by certain Regulators regarding the CIPF are subject to the CIPF complying with this MOU.

2. Definitions

“Applicable Regulator” means each Regulator in the jurisdiction in which a Member Firm is registered.

“Approval” means the approval of the CIPF by the Regulators required pursuant to those securities laws and regulations in each Canadian province and territory which may stipulate that registered dealers must participate in a compensation fund or contingency trust fund approved by the Regulator and established by, among others, an SRO.

“Approving Regulator” means a Regulator that has issued an Approval or a Deemed Acceptable Decision regarding the CIPF.

“Coverage Policies” means policies established from time to time by the CIPF’s Board of Directors pursuant to the section of the Approval and Deemed Acceptable Decision regarding Customer Protection.

“Customer” has the meaning ascribed to that term in the Coverage Policies.

“Deemed Acceptable Decision” means the decision made by the Autorité pursuant to Quebec Securities Regulation which stipulates that a dealer with an unrestricted practice or a discount broker must participate in a contingency fund deemed acceptable by the Autorité.

“Fund” means the liquid assets of the CIPF available for protection of Customers of Member Firms.

“Industry Agreement” means an agreement, as amended from time to time, between the CIPF and any Participating SRO regarding the basis on which the CIPF provides protection to Customers of Member Firms.

“Member Firm” means a member or participant of any of the Participating SROs that is a registered dealer in Canada.

“Participating Regulator” means a Regulator, other than the Principal Regulator, that is participating in an oversight review of the CIPF.

“Participating SRO” means an SRO that is a party to or that becomes a party to the Industry Agreement.

“Principal Regulator” means the Regulator that is designated as such from time to time.

“Reportable Condition” means any condition which could give rise to payments being made out of the Fund, including, without limitation, the suspension, expulsion or appointment of a monitor in respect of a Member Firm or similar action by a Participating SRO and any condition which has contributed substantially to or, if appropriate corrective action is not taken, could reasonably be expected to:

- (a) inhibit a Member Firm from promptly completing securities transactions, promptly segregating Customers’ securities as required or promptly discharging its responsibilities to Customers, other Member Firms and other creditors;
- (b) result in material financial loss;
- (c) result in material misstatements of the Member Firm’s financial statements; or

- (d) result in violations of the minimum record requirements of a Participating SRO to an extent that could reasonably be expected to result in the conditions described in parts (a), (b), or (c) above.

3. Approval and Deemed Acceptable Decision

The CIPF will abide by the terms and conditions of any Approval or Deemed Acceptable Decision made by a Regulator.

4. Member Reviews

The CIPF will review, in accordance with the Industry Agreement, the business and operations of any Member Firm, or designated groups of Member Firms, where a situation has occurred that in the opinion of the CIPF constitutes a Reportable Condition.

5. Oversight Program

5.1 Purposes of the Oversight Program

The CSA have developed a program of oversight for the CIPF to ensure that the CIPF is appropriately discharging its responsibilities as a compensation or contingency fund for Customers of Member Firms. The purposes of this oversight program include but are not limited to:

- (i) determining compliance with this MOU and the terms and conditions of any Approvals or Deemed Acceptable Decision made by the Regulators regarding the CIPF;
- (ii) ensuring that the CIPF continues to have the appropriate governance structure to fulfill its obligations;
- (iii) ensuring that the CIPF is appropriately discharging its core functions;
- (iv) ensuring that the CIPF is managing its risks adequately;
- (v) identifying and addressing any deficiencies in the CIPF's functioning as a compensation or contingency fund for Customers of Member Firms and ensuring the effective resolution of these deficiencies; and
- (vi) ensuring that the CIPF has established and maintains transparent, fair and reasonable Coverage Policies.

5.2 Oversight Reviews

As part of this oversight program, the CSA will carry out reviews of the CIPF on a periodic basis.

Staff of the Principal Regulator will solicit interest from staff of the other Regulators with respect to participating in the oversight review. The Regulators that choose to participate will be considered to be Participating Regulators for the purpose of the CIPF oversight review.

Staff of the Principal Regulator will develop the review program in consultation with staff of the Participating Regulators. The Principal Regulator will be responsible for adequate staffing of the review and co-ordinating the review and resulting report with staff of the Participating Regulators.

At the conclusion of a CIPF review, staffs of the Principal Regulator and the Participating Regulators will finalize the review report. In finalizing the review report, staffs of the Principal Regulator and the Participating Regulators will use their best efforts to follow the procedures set out in Schedule A to this MOU, or such other procedures as agreed upon by the Principal Regulator and the Participating Regulators, taking into account language translation needs, where applicable.

5.3 Reporting to the CSA

5.3.1 Reporting Obligations

The CIPF will report to each Regulator in accordance with the provisions of Schedule B to this MOU.

Any comments from the staff of the Regulators on any report, document or information provided by the CIPF will be sent to the Principal Regulator. The Principal Regulator will request that the CIPF respond to comments raised by the Regulators and will forward any response to the Regulators.

5.3.2 CIPF Actions in Respect of Member Firms

The CIPF will prepare and provide to the Applicable Regulators a report detailing any action taken with respect to a Member Firm. For Member Firm failures, the report will describe the circumstances of the failure, including a summary of the actions taken by the Member Firm, the Participating SRO and the CIPF and any committee or person acting on behalf of such parties. These reports will be delivered within 90 days of the action taken by the CIPF or Participating SRO or the liquidation of the Member Firm or at such other time as agreed to between the parties hereto.

5.4 Review and Approval of By-law

The CIPF will file with the Approving Regulators any proposed changes to the CIPF's By-law Number 1 for prior approval. The Approving Regulators will review and approve any proposed changes to the CIPF's By-law Number 1 according to the process set out in Schedule C to this MOU.

6. Miscellaneous Provisions

6.1 Confidentiality

All notices, reports, documents and any other information provided pursuant to this MOU are being provided for regulatory purposes and will be supplied and maintained in confidence, except as required for regulatory purposes.

6.2 Authority

Nothing in this MOU is intended to limit the powers of any of the Regulators under applicable securities laws to take any measures authorized under such laws.

6.3 Legal Action Against the CIPF

Nothing in this MOU will be interpreted to prevent a Customer from taking legal action against the CIPF in a court of competent jurisdiction in Canada, nor will the CIPF contest the jurisdiction of such a court to consider a claim where the claimant has exhausted the CIPF's internal claim review process.

6.4 Effective Date

This MOU comes into effect on ●, 2008.

Schedule A

Oversight Reviews

- 1) Each Participating Regulator will provide to the Principal Regulator their report points on the results of the review;
- 2) Within 20 business days of receipt of all report points, the Principal Regulator will prepare a draft report combining the report points of the Participating Regulators and send it to the Participating Regulators for comment;
- 3) Any Participating Regulator that has comments on the draft report will send its comments to the Principal Regulator within 10 business days of receiving the draft report, with copies to the other Participating Regulators;
- 4) The Principal Regulator will consolidate the comments of the Participating Regulators and revise the draft report, as necessary, within 15 business days of receiving the comments;
- 5) The Principal Regulator will forward a copy of the revised draft report to the CIPF for it to confirm the factual accuracy of the draft report;
- 6) The CIPF will review the draft report for factual accuracy and respond with comments within 15 business days of receipt;
- 7) Within 15 business days of receiving the CIPF's comments, the Principal Regulator will take into account the CIPF's comments, revise the draft report as necessary and forward a copy of the draft report and the CIPF's comments to the Participating Regulators for comment;
- 8) Within 10 business days of receipt, the Participating Regulators will review the draft report and the CIPF's comments and respond with comments;
- 9) The Principal Regulator will consolidate these comments, revise the draft report, as necessary, then release the final report to the CIPF for formal response, within 15 business days of receiving the Participating Regulators' comments;
- 10) The CIPF will use its best efforts to respond to the report within 20 business days of receipt;
- 11) The Principal Regulator will review the CIPF's response, develop a follow-up plan and forward a copy of the follow-up plan and the CIPF's response to the Participating Regulators for comments, within 15 business days of receiving the CIPF's response;
- 12) The Participating Regulators will review the follow-up plan and respond with comments within 10 business days of receipt, with copies to the other Participating Regulators;
- 13) The Principal Regulator will consolidate these comments and revise the follow-up plan as necessary;
- 14) The Principal Regulator and the Participating Regulators will seek any necessary approvals of the follow-up plan; and
- 15) The Principal Regulator will provide the final report, including the CIPF's response and the follow-up plan, to the staff of the Regulators, the CSA Chairs and the CIPF.

Schedule B

Reporting to the CSA

1) Requested Information

- a) A Regulator may, at any time, request any reports, documents, or information from the CIPF and the CIPF will comply with that request for information.

2) Prior Notification

- a) The CIPF will provide, to the CSA, at least 60 days prior notice before:
 - i) Implementing any changes to its Coverage Policies;
 - ii) Implementing any changes to its method of assessing Member Firms;
 - iii) Implementing any changes to the Industry Agreement; and
 - iv) Adding an SRO as a party to the Industry Agreement.
- b) In emergency situations, where, in the opinion of the CIPF, 60 days prior notice is considered unreasonable, the CIPF will inform the CSA with as much advance notice as possible in the circumstances. Such notice will include an explanation of why the 60-day period is considered to be unreasonable.

3) Ad Hoc Reporting

- a) The CIPF will immediately report to the Applicable Regulators any Reportable Conditions with respect to a Member Firm of which the CIPF has been notified.
- b) The CIPF will immediately report to the CSA where a Participating SRO has withdrawn or has been expelled from participation in the CIPF. The CIPF will include in its report the reasons for the SRO's withdrawal or expulsion.
- c) The CIPF will immediately report to the CSA any actual or potential material adverse change in the level of CIPF assets, together with the CIPF's plan to deal with the situation.
- d) The CIPF will report to the CSA any changes to its investment policies within 30 days of such changes.

4) Annual Reporting

- a) The CIPF will file with the CSA its annual audited financial statements, together with the report of the auditor, within 90 days after the end of each fiscal year.
- b) The CIPF will provide the following information to the CSA, within 90 days after the end of each fiscal year:
 - i) Description of any changes in the composition of the CIPF's Board of Directors in the previous fiscal year, including the names and terms of any incoming directors, the names of any outgoing directors, and whether any incoming directors are public directors as defined in the CIPF's By-law Number 1;
 - ii) Description of any changes to the CIPF's by-laws;
 - iii) Any suggestions that the CIPF has made to any Participating SROs in the previous fiscal year regarding the Participating SROs' making new rules or amending existing rules, and the Participating SROs' response to those suggestions; and
 - iv) Where the CIPF has directed a Participating SRO to take certain actions about Member Firms that are in financial difficulty pursuant to the Industry Agreement, details about the CIPF's direction and comment on whether the CIPF is satisfied with the Participating SRO's response.
- c) The CIPF will provide a written report to CSA staff and meet with the CSA Chairs at least once a year to report on the CIPF's operations and activities, including but not limited to:

- i) The Board of Directors' annual review of the adequacy of the level of assets in the Fund, assessment amounts, and assessment methodology;
- ii) The CIPF resources, including whether the CIPF is fully staffed;
- iii) Member Firm failures and any resulting Customer claims;
- iv) Risk management issues, including how the CIPF evaluated risks, what risk management issues were identified and how the CIPF dealt with these issues;
- v) The Board of Directors' assessment of the need for additional risk management tools; and
- vi) The extent and results of any Member Firm reviews conducted pursuant to the Industry Agreement.

Schedule C

Review and Approval of By-law Amendments

In reviewing and approving changes to the CIPF's By-law Number 1, the Approving Regulators will use their best efforts to adhere to the following process:

- 1) The CIPF will file each proposed change to the CIPF's By-law Number 1 ("Amendment") with each Approving Regulator;
- 2) Upon receipt of an Amendment, staff of the Principal Regulator will immediately send confirmation of receipt of the Amendment to the CIPF, with copies to the other Approving Regulators;
- 3) If, in the opinion of the Approving Regulators, the Amendment raises public interest issues or concerns, the Approving Regulators may publish the Amendment for a 30-day comment period;
- 4) Within 20 business days of receiving the confirmation of receipt of the Amendment, staff of each of the Approving Regulators will provide significant comments to staff of the Principal Regulator in writing, with copies to the other Approving Regulators. If staff of the Principal Regulator does not receive any such comments within the 20-business-day period, the other Approving Regulators will be deemed to not have any comments;
- 5) Within 7 business days of the end of the 20-business-day period, staff of the Principal Regulator will consolidate all comments received and send a comment letter to the CIPF. In the event that comments received conflict, staff of the Approving Regulators will try to reach an agreement to deal with the conflict;
- 6) Within 14 business days of receipt of the comment letter, the CIPF will respond in writing to the Principal Regulator, with a copy to each of the other Approving Regulators;
- 7) Each of the other Approving Regulators will provide material comments to the Principal Regulator in writing within 10 business days of the CIPF's response, and the Principal Regulator will provide its comments to the other Approving Regulators within the same period; if the Principal Regulator does not receive any comments within the 10-business-day period, the other Approving Regulators will be deemed not to have any comments;
- 8) The CIPF and the Approving Regulators will discuss and attempt to resolve the concerns raised by any of the Approving Regulators within 20 business days of receiving comments from staff of the other Approving Regulators regarding the CIPF's response, but if the concerns are not resolved to the satisfaction of all Approving Regulators, review of the Amendment will be escalated to be discussed among the Chairs or other senior executives of the Approving Regulators;
- 9) Staff of the Principal Regulator will prepare documentation for approval of the Amendment by the Principal Regulator within 14 business days of resolving comments under paragraph (8);
- 10) After an Amendment is approved by the Principal Regulator, staff of the Principal Regulator will promptly circulate the approval documentation to the other Approving Regulators;
- 11) Staff of the other Approving Regulators will seek the necessary approval within 20 business days of receipt of the documentation from the Principal Regulator, or such later time as is mutually agreed by staff of the Approving Regulators;
- 12) Staff of each Approving Regulators will inform staff of the Principal Regulator in writing of the decision concerning the Amendment immediately following the decision;
- 13) Staff of the Principal Regulator will communicate in writing the approval of an Amendment to the CIPF and to all Regulators promptly upon receipt of notification from all of the other Approving Regulators of their decision.

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

AND

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

AND

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

AND

**IN THE MATTER OF
REGULATION 90 MADE UNDER THE CFA, R.R.O. 1990,
AS AMENDED (the CFA Regulation)**

AND

**IN THE MATTER OF
THE CANADIAN INVESTOR PROTECTION FUND
AMENDMENT AND RESTATEMENT OF APPROVAL ORDER
(Section 144 of the Act and Section 78 of the CFA)**

WHEREAS the Commission issued an order on October 17, 2002, approving the Canadian Investor Protection Fund (CIPF) pursuant to section 110(1) of the Regulation and to section 23 of the CFA Regulation (Previous Order);

AND WHEREAS the Commission and the CIPF wish to amend the terms and conditions of the Previous Order to reflect changes to the CIPF's roles and responsibilities;

AND WHEREAS the Commission has determined that it is not prejudicial to the public interest to issue an order that amends and restates the Previous Order to reflect changes to the CIPF's roles and responsibilities;

IT IS HEREBY ORDERED, pursuant to section 144 of the Act and section 78 of the CFA, that the Previous Order be amended and restated as follows:

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

AND

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

AND

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

AND

**IN THE MATTER OF
REGULATION 90 MADE UNDER THE CFA, R.R.O. 1990,
AS AMENDED (the CFA Regulation)**

AND

**IN THE MATTER OF
THE CANADIAN INVESTOR PROTECTION FUND**

**APPROVAL ORDER
(Section 110 of the Regulation and Section 23 of the CFA Regulation)**

Pursuant to Section 110(1) of the Regulation, every dealer, other than a security issuer, shall participate in a compensation fund or contingency trust fund approved by the Commission and established by an organization referred to in Section 21 of the Act or a trust corporation registered under the Loan and Trust Corporations Act;

Pursuant to Section 23 of the CFA Regulation, every registered futures commission merchant shall participate in either a compensation fund that a self-regulatory organization under Section 16 of the CFA or a commodity futures exchange registered under Section 15 of the CFA participates in or established, or a contingency trust fund established by a trust corporation registered under the Loan and Trust Corporations Act;

The Canadian Investor Protection Fund (CIPF) is approved as a compensation fund under Section 110 of the Regulation and under Section 23 of the CFA Regulation and has applied for amendments to such approvals;

The CIPF was established by sponsoring self-regulatory organizations (SROs); currently, the Investment Dealers Association of Canada (IDA) is the only sponsoring SRO of the CIPF;

The Commission has recognized the IDA as an SRO under Section 21.1 of the Act and under Section 15 of the CFA;

The CIPF provides protection on a discretionary basis to prescribed limits to eligible customers of SRO members suffering losses if customer property comprising securities, cash and other property held by such members is unavailable as a result of the insolvency of the member and, in connection with such coverage, will engage in risk management activities to minimize the likelihood of such losses (CIPF Mandate);

The CIPF, the IDA, The Toronto Stock Exchange Inc., TSX Venture Exchange Inc. and Bourse de Montréal Inc. entered into an agreement dated December 14, 2001, pursuant to which the CIPF, among other things, provides certain financial compliance oversight of these SROs and financial examination of members of these SROs;

The CIPF and these SROs wish to terminate and replace the agreement with an agreement between the IDA, or its successor, and the CIPF that reflects the realignment of their respective regulatory roles and responsibilities, including the elimination of the CIPF's SRO oversight role and member examination functions (Industry Agreement);

The Industry Agreement contemplates that other SROs may become parties to the Industry Agreement (together with the IDA, Participating SROs);

Pursuant to the Industry Agreement, the Participating SROs must levy assessments on their members (Member Firms) and the Participating SROs must pay to the CIPF the amount of these assessments;

The CIPF entered into a Memorandum of Understanding (MOU) with twelve of the members of the Canadian Securities Administrators (CSA). The CIPF also entered into a MOU with the Commission des valeurs mobilières du Québec (now, the Autorité des marchés financiers (Autorité)). The CIPF and the twelve members of the CSA have amended and restated the MOU to reflect the proposed realignment of regulatory roles and responsibilities as between the CIPF and its Participating SROs. The Autorité will rescind its MOU with the CIPF and become a party to the amended and restated MOU between the CIPF and the CSA;

Based on the application of the CIPF and the representations and undertakings the CIPF has made to the Commission, the Commission is satisfied that the continued approval of the CIPF would not be prejudicial to the public interest;

The Commission grants and continues the approval of the CIPF as a compensation fund pursuant to Section 110 of the Regulation and Section 23 of the CFA Regulation, subject to the terms and conditions set out in Schedule A:

Schedule A – Terms and Conditions

1. – Authority and Purpose

The CIPF has, and must continue to have, the appropriate authority and capacity to carry out the CIPF Mandate.

2. – Corporate Governance

- (a) The board of directors for the CIPF (Board of Directors) must be selected in a fair and reasonable manner and must fairly represent the interests of all Member Firms and their customers and properly balance the interests of Member Firms and their customers.
- (b) The Board of Directors must be composed of an equal number of Industry Directors and Public Directors, as defined in the CIPF's By-law Number 1, together with the Chair and the President and Chief Executive Officer of the CIPF.
- (c) The CIPF's governance structure must provide for:
 - (i) fair and meaningful representation on the Board of Directors and any committees of the Board of Directors, having regard to the differing interests between Member Firms and their customers;
 - (ii) appropriate representation of persons independent of the Participating SROs or any of their Member Firms or of any affiliated or associated company of such Member Firm on the CIPF committees and on any executive committee or similar body;
 - (iii) appropriate qualification, remuneration, conflict of interest provisions and limitation of liability and indemnification protections for directors and officers and employees of the CIPF generally; and
 - (iv) an audit committee, the majority of which must be made of Public Directors.
- (d) The CIPF must file any changes to the CIPF's By-law Number 1 with the Commission for prior approval, according to the provisions of the MOU between the CIPF and the CSA.

3. – Funding and Maintenance of the CIPF

- (a) The CIPF must institute a fair, transparent, and reasonable method of establishing assessments for each Member Firm's contribution. The assessments must:
 - (i) be allocated on an equitable basis among Member Firms and may be based on the amount of risk a Member Firm contributes to the fund (Fund); and
 - (ii) balance the need for the CIPF to have sufficient revenues to satisfy claims in the event of an insolvency of a Member Firm and to have sufficient financial resources to satisfy its operations costs against the goal that there be no unreasonable financial barriers to becoming a member of an SRO.
- (b) The CIPF must make all necessary arrangements for the notification to Member Firms of the CIPF assessments and the collection of such assessments, either directly or indirectly through a Participating SRO.
- (c) The Board of Directors of the CIPF must determine the appropriate level of assets for the CIPF. The Board of Directors will conduct an annual review of the adequacy of the level of assets, assessment amounts, and assessment methodology and will ensure that the level of assets of the CIPF remains, in its opinion, adequate to cover potential claims.
- (d) Moneys in the Fund must be invested in accordance with policies, guidelines or other instruments approved by the Board of Directors, who will be responsible for regular monitoring of the investments. All moneys and securities must be held by a qualified custodian, which are those entities considered suitable to hold securities on behalf of a Member Firm, for both inventory and client positions, without capital penalty, pursuant to the bylaws, rules or regulations of the Participating SROs.
- (e) The CIPF must implement an appropriate accounting system, including a system of internal controls for maintaining CIPF assets.

4. – Customer Protection

- (a) The CIPF must establish and maintain coverage policies (Coverage Policies) to provide for fair and adequate coverage, on a discretionary basis, for all customers of Member Firms, who are not ineligible claimants as determined pursuant to the Coverage Policies, for losses of property comprising securities, cash, and other property held by Member Firms resulting from the insolvency of a Member Firm.
- (b) The Coverage Policies must include fair and reasonable policies for assessing claims made to the CIPF. The CIPF will respond as quickly as practicable in assessing and paying claims made pursuant to those policies.
- (c) The CIPF must establish within its Coverage Policies a fair and reasonable internal claim review process whereby claims that are not accepted for payment by the CIPF staff or by an appointed committee will be reconsidered by the Board of Directors or a review panel of one or more Directors, if requested by a customer of a Member Firm or by the CIPF staff. The Coverage Policies must include criteria established by the Board of Directors for the selection of the review panel members, including criteria that no Director involved in the initial decision will be involved in reconsidering that decision.
- (d) The CIPF must adequately inform customers of Member Firms, either directly or indirectly through a Participating SRO, of the principles and policies on which coverage will be available, including, but not limited to, the process for making a claim and the maximum coverage available per customer account.

5. – Financial and Operational Viability

The CIPF must maintain adequate financial and operational resources, including adequate staff resources or external professional advisers, to permit the CIPF to exercise its rights and perform its duties under the MOU between the CIPF and the CSA and this order and to conduct Member Firm reviews as required pursuant to Article 4 of the MOU.

6. – Risk Management

The CIPF must ensure that it has policies and procedures, including a process to identify and request all necessary information from a Participating SRO, in order for the CIPF to:

- (a) fulfill its mandate and manage risks to the public and to CIPF assets;
- (b) assess whether the prudential standards and operations of the CIPF are appropriate for the coverage provided and the risk incurred by the CIPF; and
- (c) identify and deal with Member Firms that may be in financial difficulty.

7. – Agreement between the CIPF and the IDA

The CIPF must enter into and comply with the Industry Agreement signed with the IDA and any Participating SRO.

8. – Assistance to Participating SRO

The CIPF must assist a Participating SRO when a Member Firm is in or is approaching financial difficulty. Such assistance will be provided in any way the CIPF determines to be appropriate.

9. – Collection of Information

The CIPF must, subject to applicable legislation, collect, use and disclose personal information only to the extent reasonably necessary to carry out the CIPF Mandate.

10. – Memorandum of Understanding

The CIPF must comply with the MOU between the CSA and the CIPF, signed ●, 2008.

13.1.2 MFDA Hearing Panel Issues Decision and Reasons Respecting Paul Edward Lloyd Disciplinary Hearing

NEWS RELEASE
For immediate release

**MFDA HEARING PANEL ISSUES DECISION AND REASONS
RESPECTING PAUL EDWARD LLOYD DISCIPLINARY HEARING**

February 29, 2008 (Toronto, Ontario) – A Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”) has issued its Decision and Reasons in connection with the disciplinary hearing held in Toronto, Ontario on February 12, 2008 in respect of Paul Lloyd.

A copy of the Decision and Reasons is available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 158 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:

Shaun Devlin

Vice-President, Enforcement

(416) 943-4672 or sdevlin@mfda.ca

This page intentionally left blank

Chapter 25

Other Information

25.1 Approvals

“Wendell W. Wigle”

25.1.1 Northwater Fund Management Inc. - s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager for approval to act as trustee of mutual 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).

February 26, 2008

McCarthy Tetrault LLP

Box 48, Suite 4700
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Attention: Katarzyna Szybiak

Dear Sirs/Mesdames:

**Re: Northwater Fund Management Inc.
Application for approval to act as trustee
pursuant to clause 213(3)(b) of the Loan and
Trust Corporations Act (Ontario) (the “LTCA”)
Application No. 2008/0137**

Further to your application dated February 21, 2008 (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 assets of the Funds, as defined and listed on Schedule A, 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 for which the Applicant acts as manager, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

“Lawrence E. Ritchie”

Schedule "A"

Liquidating Trust -MAP I
Northwater Derivatives Fund III -MAP I
Northwater Derivatives Fund, US Equity - MAP I
Northwater Derivatives International
Equity Fund II - MAP I and
Northwater Derivatives Mid Cap Fund - MAP I
(collectively, the "Funds" and individually, a "Fund")

Index

AldeaVision Solutions Inc.			
Cease Trading Order	2813		
Argus Corporation Limited			
Cease Trading Order	2813		
Aurion Capital Management Inc.			
Order - NI 81-106 Investment Fund			
Continuous Disclosure, ss. 2.1(2), 17.1	2808		
Aurion Investment Funds			
Order - NI 81-106 Investment Fund			
Continuous Disclosure, ss. 2.1(2), 17.1	2808		
Beck, Peter			
Notice from the Office of the Secretary	2783		
Order - s. 127	2811		
Bowles, Bryan			
Notice from the Office of the Secretary	2783		
Order - ss. 127(1), 127(8)	2812		
Bromleigh Investment Management Inc.			
New Registration.....	2963		
C.A. Bancorp Canadian Realty Finance Corporation			
Order - s. 158(1.1) of the OBCA	2809		
Canadex Resources Limited			
MRRS Decision.....	2793		
Capital Investments of America			
Notice from the Office of the Secretary	2782		
Order.....	2810		
Capital Reserve Financial Group			
Notice from the Office of the Secretary	2782		
Order.....	2810		
CoolBrands International Inc.			
Cease Trading Order	2813		
Coriolis Capital Limited			
New Registration.....	2963		
CSA Staff Notice 12-307 - Applications for a Decision that an Issuer is not a Reporting Issuer (First published September 12, 2003 and revised February 4, 2005, November 1, 2006 and March 7, 2008)			
Notice.....	2770		
Fareport Capital Inc.			
Cease Trading Order	2813		
		Form 45-101F Information Required in a Rights Offering Circular of National Instrument 45-101 Rights Offerings	
		Notice	2778
		Goodman and Company, Investment Counsel Ltd.	
		MRRS Decision	2786
		Hip Interactive Corp.	
		Cease Trading Order.....	2813
		HMZ Metals Inc.	
		Cease Trading Order.....	2813
		IATRA Life Sciences Corporation	
		Cease Trading Order.....	2813
		Independent Financial Brokers of Canada	
		MRRS Decision	2786
		Inland Kenworth'	
		MRRS Decision	2794
		Johnson, Steven	
		Notice from the Office of the Secretary	2783
		Order - ss. 127(1), 127(8).....	2812
		Joint Application of CIPF and the IDA	
		SRO Notices and Disciplinary Proceedings.....	2965
		Kaplan, Frank R.	
		Notice from the Office of the Secretary	2783
		Order - ss. 127(1), 127(8).....	2812
		Lang Michener LLP	
		MRRS Decision	2804
		Lloyd, Paul Edward	
		SRO Notices and Disciplinary Proceedings.....	2995
		LM Services Limited Partnership	
		MRRS Decision	2804
		LML&S Limited Partnership	
		MRRS Decision	2804
		Mad Catz Interactive, Inc.	
		Cease Trading Order.....	2813
		Mad Catz Interactive, Inc.	
		Cease Trading Order.....	2813
		MMCL Mind Management Consulting	
		Notice from the Office of the Secretary	2782
		Order	2810

N.W.T Copper Mines Limited		QFS Financial Services Ltd.	
Cease Trading Order	2813	Voluntary Surrender of Registration	2963
NI 14-101 Definitions,		Qureshi, Naveed Ahmad	
Notice	2778	Notice from the Office of the Secretary	2782
NI 31-103 Registration Requirements		Order	2810
News Release	2781	SEI Balanced 60/40 Fund	
NI 41-101 General Prospectus Requirements		MRRS Decision	2794
Notice	2778	SEI Investments Canada Company	
NI 44-101 Short Form Prospectus Distributions		MRRS Decision	2794
Notice	2778	Sevenoaks Capital Inc.	
NI 44-102 Shelf Distributions		New Registration	2963
Notice	2778	Sprott Asset Management Inc.	
NI 44-103 Post-Receipt Pricing		RRS Decision	2785
Notice	2778	Sprott Global Equity Fund	
NI 51-102 Continuous Disclosure Obligations		RRS Decision	2785
Notice	2778	Sun Wide Group Financial Insurers & Underwriters	
NI 81-101 Mutual Fund Prospectus Disclosure		Notice from the Office of the Secretary	2783
Notice	2778	Order - ss. 127(1), 127(8)	2812
NI 81-104 Commodity Pools		Sun Wide Group	
Notice	2778	Notice from the Office of the Secretary	2783
Nordic Partners Inc.		Order - ss. 127(1), 127(8)	2812
New Registration	2963	SunOpta Inc.	
Northwater Fund Management Inc.		Cease Trading Order	2813
Approval - s. 213(3)(b) of the LTCA	2997	SunOpta Inc.	
O. Reg. 31/08, amending R.R.O. 1990, Reg. 1015 (made under the Securities Act)		Cease Trading Order	2813
Legislation	2953	Sunwide Finance Inc.	
OSC Rule 13-502 Fees		Notice from the Office of the Secretary	2783
Notice	2778	Order - ss. 127(1), 127(8)	2812
OSC Rule 41-801 Implementing National Instrument 41-101 General Prospectus Requirements		Sutton, George	
Notice	2778	Notice from the Office of the Secretary	2783
OSC Rule 56-501 Restricted Shares		Order - ss. 127(1), 127(8)	2812
Notice	2778	Swift Trade Inc.	
OSC Rule 71-801 Implementing the Multijurisdictional Disclosure System		Notice from the Office of the Secretary	2783
Notice	2778	Order - s. 127	2811
OSI Geospatial Inc.		Thales	
Cease Trading Order	2813	MRRS Decision	2798
Peace Arch Entertainment Group Inc.		Timbercreek Asset Management Inc.	
Cease Trading Order	2813	New Registration	2963
Pine Point Capital Advisors Inc.		Trident Performance Corp.	
New Registration	2963	MRRS Decision	2789
		White, Franklin Danny	
		Notice from the Office of the Secretary	2782
		Order	2810

Wi-Fi Framework Corporation

Notice from the Office of the Secretary2783
Order - ss. 127(1), 127(8) 2812

WNBC The World Network Business Club Ltd.

Notice from the Office of the Secretary2782
Order..... 2810

This page intentionally left blank