The Ontario Securities Commission

OSC Bulletin

July 18, 2008

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

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Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JULY 18, 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
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Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

July 18, 2008 10:00 a.m.	**Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson** s. 127(1) and 127(5) M. Boswell in attendance for Staff Panel: JEAT/ST
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** s. 127 C. Price in attendance for Staff Panel: JEAT/CSP
July 23, 2008 10:00 a.m.	**Robert Kasner** s. 127 H. Craig in attendance for Staff Panel: JEAT
August 5, 2008 2:30 p.m.	**Rodney International, Choeun Chhean (also known as Paulette C. Chhean) and Michael A. Gittens (also known as Alexander M. Gittens)** s. 127 M. Britton in attendance for Staff Panel: TBA
August 8, 2008 10:00 a.m.	**First Global Ventures, S.A., Allen Grossman and Alan Marsh Shuman** s. 127 D. Ferris in attendance for Staff Panel: WSW/ST/MCH

September 2, 2008 2:30 p.m.	**LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia** s. 127 M. Britton in attendance for Staff Panel: LER/ST
September 2, 2008 3:30 p.m.	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 M. Mackewn in attendance for Staff Panel: TBA
September 3, 2008 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 & 127(1) C. Price in attendance for Staff Panel: TBA
September 9, 2008 1:00 p.m.	**Irwin Boock, Svetlana Kouznetsova, Victoria Gerber, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group** s. 127(1) & (5) P. Foy in attendance for Staff Panel: LER/JEAT
September 9, 2008 1:00 p.m.	**Stanton De Freitas** s. 127 and 127.1 P. Foy in attendance for Staff Panel: JEAT/ST
September 9, 2008 1:00 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
September 11, 2008 9:00 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 M. Britton in attendance for Staff Panel: JEAT/MCH
September 16, 2008 2:30 p.m.	**Darren Delage** s. 127 M. Adams in attendance for Staff Panel: TBA
September 19, 2008 10:00 a.m.	**Xi Biofuels Inc., Biomaxx Systems Inc., Ronald David Crowe and Vernon P. Smith** and **Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels** s. 127 M. Vaillancourt in attendance for Staff Panel: PJL/WSW/DLK
September 22, 2008 10:00 a.m.	**John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir** S. 127 and 127.1 I. Smith in attendance for Staff Panel: TBA

September 26, 2008 10:00 a.m.	**Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson** s.127 J. Superina in attendance for Staff Panel: LER/MCH
September 30, 2008 10:00 a.m.	**Al-Tar Energy Corp., Alberta Energy Corp., Drago Gold Corp., David C. Campbell, Abel Da Silva, Eric F. O'Brien and Julian M. Sylvester** s. 127 & 127.1 M. Boswell in attendance for Staff Panel: JEAT/DLK
October 6, 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: TBA
October 8, 2008 10:00 a.m.	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 & 127(1) D. Ferris in attendance for Staff Panel: TBA
October 27, 2008 10:00 a.m.	**Adrian Samuel Leemhuis, Future Growth Group Inc., Future Growth Fund Limited, Future Growth Global Fund limited, Future Growth Market Neutral Fund Limited, Future Growth World Fund and ASL Direct Inc.** s. 127(5) K. Daniels in attendance for Staff Panel: TBA
November 3, 2008 10:00 a.m.	**Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** s. 127 E. Cole in attendance for Staff Panel: TBA
November 11, 2008 2:30 p.m.	**LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia** s. 127 M. Britton in attendance for Staff Panel: LER/ST
November 25, 2008 2:30 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: TBA
December 1, 2008 TBA	**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

January 12, 2009 10:00 a.m.	**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** s. 127 C. Price in attendance for Staff Panel: TBA
February 2, 2009 10:00 a.m.	**Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling** s. 127(1) and 127.1 J. Superina/A. Clark in attendance for Staff Panel: TBA
March 23, 2009 10:00 a.m.	**Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony** s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
April 6, 2009 10:00 a.m.	**Gregory Galanis** s. 127 P. Foy in attendance for Staff Panel: TBA
May 4, 2009 10:00 a.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: TBA
September 21, 2009 10:00 a.m.	**Swift Trade Inc. and Peter Beck** s. 127 S. Horgan in attendance for Staff Panel: TBA
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
TBA	**Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: JEAT/ST
TBA	**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: JEAT/DLK/CSP

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

s.127 and 127.1

D. Ferris in attendance for Staff

Panel: TBA

TBA **Matthew Scott Sinclair**

s.127

P. Foy 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

Land Banc of Canada Inc., LBC Midland I Corporation, Fresno Securities Inc., Richard Jason Dolan, Marco Lorenti and Stephen Zeff Freedman

1.1.2 The Mutual Fund Dealers Association of Canada – Notice of Consent

THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA

NOTICE OF CONSENT

On June 17, 2008, the Commission consented to the Mutual Fund Dealers Association of Canada's (MFDA's) continued participation in a Co-operative Agreement with l'Autorité des marchés financiers du Québec (the Autorité) (known as l'Agence Nationale d'encadrement du secteur financier prior to December 17, 2004) and the Chambre de la sécurité financière (Chambre) in Québec, for which the MFDA had previously applied and received the Commission's consent. The objectives of the Co-operative Agreement are to avoid regulatory inefficiencies and to preserve and enhance the respective separate mandates of the Autorité, the Chambre and the MFDA. Under the Co-operative Agreement, the Autorité, the Chambre and the MFDA co-ordinate their various regulatory functions with respect to MFDA Members and their Approved Persons operating in Québec.

A copy of the Ontario consent is published in Chapter 25 of this bulletin.

1.3 News Releases

1.3.1 OSC Lays Fraud Charges Against Abraham Herbert Grossman, Abel Da Silva, Eric O'Brien, and Shallow Oil & Gas Inc

FOR IMMEDIATE RELEASE
July 11, 2008

OSC LAYS FRAUD CHARGES AGAINST ABRAHAM HERBERT GROSSMAN, ABEL DA SILVA, ERIC O'BRIEN, AND SHALLOW OIL & GAS INC

TORONTO – On June 12, 2008, the Ontario Securities Commission laid 19 charges under the *Securities Act* against Abraham Herbert Grossman (also known as Allen Grossman), Abel Da Silva, Eric O'Brien, and Shallow Oil & Gas Inc.

The charges against the defendants include, among others, securities fraud, breaching previous cease trade orders issued by the Commission, misleading the Commission in the course of a hearing, misleading Staff of the Commission and illegally trading securities.

The first appearance in this matter is scheduled for 9:30 a.m. on July 14, 2008 at the York Region Courthouse, 50 Eagle Street in Newmarket, Ontario.

Abraham Herbert Grossman, Abel Da Silva, and Eric O'Brien are currently subject to cease trade orders issued by the Commission in relation to this matter. They will appear at a separate Commission hearing on November 25, 2008 in connection with the Statement of Allegations of Staff dated June 10, 2008.

Copies of the charges are set out in Appendix "A" to the Information and are available on the OSC website **www.osc.gov.on.ca**.

The mandate of the OSC is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets. Investors are urged to check the registration of any person or company offering an investment opportunity and to review the OSC investor education materials available at **www.checkbeforeyouinvest.ca**.

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1.4 Notices from the Office of the Secretary

1.4.1 Land Banc of Canada Inc. et al.

FOR IMMEDIATE RELEASE
July 9, 2008

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

AND

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

TORONTO – The Commission issued an Order today which provides that the Temporary Order against Fresno Securities Inc. and Stephen Zeff Freedman is removed.

A copy of the Order dated July 9, 2008 is available at **www.osc.gov.on.ca**.

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1.4.2 Darren Delage

FOR IMMEDIATE RELEASE
July 10, 2008

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

AND

IN THE MATTER OF
DARREN DELAGE

TORONTO – The Commission issued an Order today which provides that the Respondent's motion for directions is scheduled for September 16, 2008 at 2:30 p.m., or such other date as is agreed by the parties and determined by the Office of the Secretary.

A copy of the Order dated July 10, 2008 is available at **www.osc.gov.on.ca**.

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1.4.3 Gold-Quest International et al.

FOR IMMEDIATE RELEASE
July 10, 2008

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

AND

IN THE MATTER OF
GOLD-QUEST INTERNATIONAL,
HEALTH AND HARMONEY,
IAIN BUCHANAN, AND
LISA BUCHANAN

TORONTO – The hearing to consider an extension of the Temporary Order against the Respondents in the above noted matter will be held at 9:30 a.m. on July 14, 2008.

A copy of the Order dated April 15, 2008 is available at **www.osc.gov.on.ca**.

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1.4.4 Biovail Corporations et al.

FOR IMMEDIATE RELEASE
July 11, 2008

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK,
BRIAN H. CROMBIE, JOHN R. MISZUK and
KENNETH G. HOWLING

TORONTO – Following a motion hearing held on June 27, 2008 the Commission issued its Reasons and Decision in the above noted matter today.

A copy of the Reasons and Decision dated July 11, 2008 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
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1.4.5 Merax Resource Management Ltd.

FOR IMMEDIATE RELEASE
July 15, 2008

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

AND

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

TORONTO – On July 14, 2008, the Commission adjourned the hearing in this matter to a date to be agreed by the parties and determined by the Office of the Secretary.

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

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1.4.6 Gold-Quest International et al.

FOR IMMEDIATE RELEASE
July 16, 2008

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

AND

IN THE MATTER OF
GOLD-QUEST INTERNATIONAL,
HEALTH AND HARMONEY,
IAIN BUCHANAN AND LISA BUCHANAN

TORONTO – On July 14, 2008, the Commission issued an Order extending the Temporary Order to October 8, 2008 and setting down a hearing to further extend the Temporary Order to October 7, 2008.

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

OFFICE OF THE SECRETARY
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Canadian Apartment Properties Real Estate Investment Trust

Headnote

MI 11-102 and NP 11-203 – relief from filing business acquisition report – using income from the continuing operations of the filer to determine the significance of certain acquisitions leads to anomalous results – filer permitted to exclude depreciation of income-producing properties from income when calculating significance under Part 8 of National Instrument 51-102 Continuous Disclosure Obligations.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 8.3.

July 8, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO (the "JURISDICTION")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CANADIAN APARTMENT PROPERTIES REAL
ESTATE INVESTMENT TRUST (the "FILER")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "Legislation") granting relief to allow the exclusion of depreciation of income producing properties when applying the Income Test (as defined below) for the REIT's continuous disclosure obligations under Part 8 of National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102") in respect of the April 30, 2008 acquisition of a 174 suite apartment complex referred to as Dolphin Square (the "Exemption Sought").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

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

(b) the Filer has provided notice that section 7.4 (1) of Multilateral Instrument 11-102 Passport System ("MI 11-102") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon.

Interpretation

Terms defined in National Instrument 14-101 Definitions and MI 11-102 have the same meaning if used in this decision, unless otherwise defined in this decision.

Representations

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

1. The REIT is an internally managed unincorporated open-ended real estate investment trust owning interests in multi-unit residential properties including apartment buildings and townhouses located in major urban centres across Canada and two land lease adult lifestyle communities.

2. The REIT was established under the laws of the Province of Ontario by a declaration of trust and its head office is located in Toronto, Ontario.

3. The REIT is a reporting issuer under the securities legislation of each of the provinces and territories of Canada.

4. The units of the REIT are listed and posted for trading on the Toronto Stock Exchange under the trading symbol CAR.UN.

5. The REIT completed its initial public offering on May 21, 1997 pursuant to its final long form prospectus dated May 12, 1997.

6. As at June 11, 2008, the REIT had ownership interests in 26,540 residential suites well diversified by geographic location and asset class and 1267 land lease sites.

7. As at and for the year ended December 31, 2007 the REIT had assets in excess of $2.2 billion, income from continuing operations of approx-

imately $531,000, and depreciation of income producing properties of $66.7 million.

8. As at and for the year ended December 31, 2006 the REIT had assets of approximately $2 billion, income from continuing operations of approximately $579,000, and depreciation of income producing properties of $56.9 million.

9. Under Part 8 of NI 51-102, the REIT is required to file a business acquisition report ("BAR") for any completed acquisition that is determined to be significant based on the acquisition satisfying any of the three significance tests set out in subsection 8.3 (2) of NI 51-102.

10. For the purposes of completing its quantitative analysis of the income test (the "Income Test") prescribed under Part 8.3 of NI 51-102, the REIT is required to compare its income from continuing operations against the proportionate share of income from continuing operations of Dolphin Square.

11. The application of the Income Test produces an anomalous result for the REIT in comparison to the results of the other tests of significance set out in subsection 8.3 (2) of NI 51-102, which were not triggered by the acquisition.

12. Excluding depreciation of income producing properties when applying the Income Test more accurately reflects the significance of this acquisition from a business and commercial perspective and its results are generally consistent with the other tests of significance set out in subsection 8.3 (2) of NI 51-102.

13. The application of the Income Test with depreciation of income producing properties excluded results in Dolphin Square representing approximately 0.48% of the REIT's income from continuing operations for the fiscal year ended December 31, 2007. However, based on the application of the Income Test, pursuant to paragraph (1) of Part 8.2 of NI 51-102, the REIT is required to file a BAR with respect to its acquisition of Dolphin Square on or before July 14, 2008.

Decision

The Principal Regulator is satisfied that the decision meets the test set out in the Legislation for the Principal Regulator to make the decision.

The decision of the Principal Regulator under the Legislation is that the Exemption Sought is granted.

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.1.2 Intrinsyc Software International, Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions - National Instrument 51-102 Continuous Disclosure Obligations - Issuer requires relief from the requirement to include certain financial statements in a business acquisition report (BAR) - issuer to make a significant acquisition of a private company - information necessary to prepare the required financial statements is unavailable - the BAR will contain sufficient alternative information about the acquired business - relief granted, subject to conditions.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1.

July 7, 2008

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

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
INTRINSYC SOFTWARE INTERNATIONAL, INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption under Section 13.1 of National Instrument 51-102 - *Continuous Disclosure Obligations* (NI 51-102) from the requirement in subsection 8.4(1) of NI 51-102 to include certain audited annual financial statements in a business acquisition report (the Exemption Sought);

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) British Columbia is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskat-

chewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. the Filer is incorporated under the federal laws of Canada and its head office is located in Vancouver, British Columbia;

2. the Filer is authorized to issue an unlimited number of common shares without par value; as of the date hereof, the Filer has 150,895,563 common shares issued and outstanding;

3. the common shares of the Filer are listed for trading on the Toronto Stock Exchange;

4. the Filer's current fiscal year end is December 31; the Filer has recently changed its year end and its previous financial year end was August 31; the last annual financial statements of the Filer were filed for the four month period ended December 31, 2007;

5. Destinator Technologies Inc. (Destinator) is a private company that is a provider of wireless software for global positioning system (GPS) devices and navigation software for wireless devices;

6. Destinator's financial position has been deteriorating for some time; it is insolvent and has sought court protection, as described below;

7. on May 19, 2008, the Filer entered into an asset purchase agreement with Destinator and certain of its subsidiaries, Destinator Technologies Inc. (Canada) and Destinator Technologies Properties Inc., whereby the Filer will acquire a substantial portion of the assets of Destinator and such subsidiaries; the Filer will also acquire the shares of Destinator Technologies Inc. (China) and Destinator Technologies Inc. (Israel) Ltd., two of Destinator's subsidiaries (the foregoing is hereafter referred to as the Transaction); the Transaction will result in the acquisition of a business which represents approximately 80% of the current business of Destinator;

8. the Transaction will occur pursuant to orders granted under the *Companies Creditors' Arrangement Act* (the CCAA) and recognized under the *U.S. Bankruptcy Code*; the asset purchase agreement between the parties constitutes a stalking horse bid in a going concern sale process approved by the Ontario Superior Court of Justice and the United States Bankruptcy Court for the District of Delaware; the court approved sale process concluded on or about June 25, 2008 and the Transaction is to occur on or about July 9, 2008;

9. on May 20, 2008, the Ontario Superior Court of Justice rendered an initial order (the Initial Order) in favour of Destinator under the CCAA to, among other things:

   (a) order that all proceedings against Destinator and its assets be stayed and suspended;

   (b) appoint RSM Richter Inc. as Monitor pursuant to the CCAA and appoint John Poptsis of the Acceleris Group Inc. as the Chief Restructuring Officer;

   (c) authorize and direct the Monitor to apply to the United States Bankruptcy Court for the District of Delaware for an order recognizing the CCAA proceedings and giving full force and effect to the Initial Order in the United States of America; and

   (d) authorize and approve the Transaction and the sale process;

10. on May 23, 2008 the United States Bankruptcy Court for the District of Delaware granted a provisional order recognizing and enforcing the Ontario court's Initial Order in the United States of America;

11. in order to complete the sale process, Destinator has arranged a debtor in possession financing facility (the DIP Loan) of $3,250,000, which is required in order for Destinator to continue operations through the sale process to consummation of a going concern sale; the cash flows filed with the Canadian and U.S. courts demonstrate that the full amount of the DIP Loan of $3,250,000 will be required to fund operating expenses and insolvency professional costs through the end of the process;

12. the Monitor has filed a First Report with the Canadian and U.S. courts; in the First Report, the Monitor advises as follows:

    The principal purpose of the insolvency process is to market for sale the Company's [Destinator's] business and assets, using a stalking horse

process, consistent with Section 363 of the US Bankruptcy Code. The Sale Process, as described, is required pursuant to the [Filer's] Offer. It is presently contemplated that the Monitor will market the Company for sale for a thirty (30) day period; a prolonged sale process could put the Company's viability at risk given its cash constraints and fragile stakeholder relationships. It is the Monitor's observation that stakeholders require certainty that the Company's business will emerge from these proceedings, and that it does so on a timely basis. Additionally, the DIP Loan is estimated to only be sufficient to fund the business for a time frame consistent with the contemplated duration of the Sale Process;

13. the Transaction, if completed, will constitute a "significant acquisition" for the purposes of NI 51-102 and the Filer will be required to file a business acquisition report (BAR) within 75 days of the closing of the Transaction;

14. under Section 8.4 of NI 51-102, the BAR must be accompanied by:

    (a) annual financial statements for Destinator for its two most recently completed fiscal years prior to the acquisition, being the fiscal years ending January 31, 2008 and January 31, 2007; the financial statements for the most recently completed financial year prior to the acquisition must be audited;

    (b) unaudited interim financial statements for Destinator for its most recently completed interim period; and

    (c) pro form financial statements of the Filer giving effect to the Transaction;

15. Annual financial statements of Destinator for the year ended January 31, 2008 do exist but Deloitte & Touche LLP, Destinator's former auditors, have represented to the Filer that it is not possible to audit them because:

    (a) certain required historical accounting records have been lost and are unavailable;

    (b) Destinator has had a high turnover in accounting staff and the personnel that would have the information necessary to complete an audit are no longer employees of Destinator; this lack of continuity specifically limits the auditors' ability to fulfill its obligations in conducting an audit under GAAS;

    (c) Destinator lacks the senior financial management required to undertake an audit;

    (d) the current temporary financial staff are unable to provide the required explanations to the auditors in respect of the certain documents; and

    (e) the Monitor has advised that Destinator does not have the financial resources or personnel for the preparation of audited financial statements; all available resources are required to maintain operations in order to maximize value through a going concern sale, and avoid shut down, liquidation, and substantial losses to creditors;

16. apart from the requirement to include annual financial statements for Destinator for the year ended January 31, 2008, the Filer is otherwise able to prepare and file the BAR in accordance with NI 51-102;

17. the Filer will include in the BAR additional disclosure requirements as set out under section 8.9(4)(b) of the Companion Policy 51-102 CP;

18. if the Transaction occurs after August 1, 2008, the Filer will include more current interim financial statements for Destinator in its BAR as required by section 8.4(3) of NI 51-102; and

19. to the best of the Filer's knowledge, it is not in default of any obligations under the securities legislation in the Jurisdictions.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

(a) the Filer includes the following financial information in the BAR:

    (i) unaudited, reviewed consolidated Financial Statements of Destinator for the year ended January 31, 2008;

    (ii) an audited statement of assets acquired and liabilities assumed as at the closing date of the Transaction;

    (iii) unaudited consolidated interim Financial Statements of Destinator required under section 8.4(3) of NI 51-102;

    (iv) an unaudited pro forma balance sheet of the Filer, as at the date

of the Filer's most recent balance sheet filed, that gives effect, as if it had taken place as at the date of the pro forma balance sheet, to the Transaction. The pro forma balance sheet figures for Destinator will be based upon the audited statement of assets acquired and liabilities assumed;

(v) pro forma income statements of the Filer required under section 8.4(5)(b) of NI 51-102; and

(vi) pro forma earnings per share information of the Filer required under section 8.4(5)(c) of NI 51-102;

(b) representation (17) above is true; and

(c) the Transaction occurs within 60 days of the date of this decision.

Noreen Bent

Acting Director, Corporate Finance
British Columbia Securities Commission

2.1.3 Brookfield Renewable Power Inc.

Headnote

NP 11-203 – decision exempting the Filer from the qualification criteria under paragraph 2.3(d) of NI 44-101 and section 2.3 of NI 44-102 for filing a short form prospectus in the form of a base shelf prospectus – Filer is successor issuer that cannot rely on exemption in subsection 2.7(2) of NI 44-101 – decision subject to condition that Filer incorporate by reference AIF and consolidated annual financial statements of predecessor entities in any base shelf prospectus filed in reliance on this decision – decision subject to condition that Filer include certain disclosure directly in any base shelf prospectus filed in reliance on this decision – decision shall only be valid until such time as Filer is required to file annual information form and annual financial statements in respect of next financial year ending after date of decision.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions, ss. 2.3(d), 8.1.
National Instrument 44-102 Shelf Distributions, ss. 2.3, 11.1.

July 9, 2008

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO (the Jurisdiction)**

AND

**IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS**

AND

**IN THE MATTER OF
BROOKFIELD RENEWABLE POWER INC. (the Filer)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for a decision under the Legislation exempting the Filer from the qualification criteria under paragraph 2.3(d) of National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101) and section 2.3 of National Instrument 44-102 *Shelf Distributions* (NI 44-102) for filing a short form prospectus in the form of a base shelf prospectus (a Base Shelf Prospectus) (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, the Yukon Territory and the Nunavut Territory (the Passport Jurisdictions).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer was formed under the *Business Corporations Act* (Ontario) (OBCA) on March 31, 2008 through the amalgamation (the Amalgamation) of Brookfield Power Inc. (BPI) and Brookfield Power Corporation (BPC), and continued as one corporation under the name "Brookfield Renewable Power Inc.". The head office of the Filer is located at Brookfield Place, 181 Bay Street, Suite 300, PO. Box 762, Toronto, Ontario M5J 2T3. The Filer is a venture issuer (as defined in National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102)).

2. The Filer has been a reporting issuer or the equivalent thereof in the Jurisdiction and each of the Passport Jurisdictions since March 31, 2008. The Filer is not, to its knowledge, in default of its reporting issuer obligations under the Legislation or the securities legislation of the Passport Jurisdictions. The Filer has a December 31st financial year end.

3. Prior to the Amalgamation, BPI was a wholly-owned subsidiary of Brookfield Asset Management Inc. (Brookfield), an asset management company focused on property, power and infrastructure assets. Brookfield has approximately US$95 billion of assets under management and is listed on the Toronto, New York and the Euronext Amsterdam Exchange.

4. BPI was also a reporting issuer until September 12, 2005 under the name "Brascan Power Inc. (formerly Great Lakes Power Inc.)". To the best of the Filer's knowledge, during the time that BPI was a reporting issuer it was not in default of any of its reporting issuer obligations.

5. Prior to the Amalgamation, BPC was a wholly-owned finance subsidiary of BPI. BPC had been a reporting issuer or the equivalent thereof in the Jurisdiction and each of the Passport Jurisdictions since March 18, 2005, and, at the time of the Amalgamation, BPC was not, to its knowledge, in default of its reporting issuer obligations under the Legislation or the securities legislation of the Passport Jurisdictions.

6. None of BPC's securities were listed on any stock exchange, but its debentures and medium term notes, all of which were unconditionally guaranteed as to the payment of principal, premium (if any) and interest by BPI, were publicly held.

7. As at March 31, 2008, the date of the Amalgamation, Brookfield was the sole beneficial holder, directly or indirectly, of all of the equity securities of each of BPI and BPC.

8. As at March 31, 2008, BPC had filed its annual financial statements for the year ended December 31, 2007, related management's discussion and analysis and annual information form (BPC AIF) for the year ended December 31, 2008. The BPC AIF includes disclosure related to its parent, BPI, as guarantor of BPC's public indebtedness. Though BPI was not required to file an AIF, the disclosure related to BPI in the BPC AIF would have satisfied the requirements in Form 51-102F2 *Annual Information Form* (Form 51-102F2) in respect of BPI, except that the BPC AIF does not:

   (a) contain the dividend related disclosure required by Item 6 of Form 51-102F2 in respect of BPI;

   (b) contain the audit committee related disclosure required by Form 52-110F2 *Disclosure by Venture Issuers* (Form 52-110F2) in respect of BPI; and

   (c) contain the corporate governance disclosure required under Form 58-101F2 *Corporate Governance Disclosure (Venture Issuers)* (Form 58-101F2) in respect of BPI.

9. As at March 31, 2008, BPC also filed BPI's annual consolidated financial statements in respect of BPI's financial year ended December 31, 2007 and related management's discussion and analysis (the BPI Financial Statements). The BPI Financial Statements include consolidated financial information about BPI and BPC.

10. On March 31, 2008, the Amalgamation was completed in accordance with the OBCA and the Legislation. As BPC and BPI were both direct or indirect wholly-owned subsidiaries of Brookfield, an information circular was not required to be prepared in connection with the Amalgamation.

Accordingly, the Filer cannot make use of the exemption provided under section 2.7(2) of NI 44-101 to qualify to file a prospectus in the form of a short form prospectus.

11. The Filer is a "successor issuer" to BPC, as defined in NI 44-101, given that it was formed through the amalgamation of BPC and BPI.

12. The Filer assumed, by operation of law, all of BPI's and BPC's obligations at the time of the Amalgamation, including any outstanding public indebtedness.

13. The Filer's only business is that of owner, manager, operator and developer of primarily hydroelectric generation facilities, which was carried out by BPI and BPC prior to the Amalgamation.

14. The Filer has adopted the BPC AIF and BPI Financial Statements as its own, and such annual information form, financial statements and management's discussion and analysis reflect the consolidated business and financial information of BPC and BPI.

15. All continuous disclosure documents of BPI that BPI would be required to incorporate by reference into a Base Shelf Prospectus, under section 11.1 of Form 44-101F1 *Short Form Prospectus* (Form 44-101F1), if BPI were the issuer thereunder, have been publicly filed on the System for Electronic Document Analysis and Retrieval (SEDAR) by BPC, including, for greater certainty, any applicable material change reports and business acquisition reports that would have been required to be filed under NI 51-102.

16. All continuous disclosure documents of BPC that BPC would be required to incorporate by reference into a Base Shelf Prospectus, under section 11.1 of Form 44-101F1, if BPC were the issuer thereunder, have been publicly filed on SEDAR by BPC, including for greater certainty, any applicable material change reports and business acquisition reports that would have been required to be filed under NI 51-102.

Decision

17. The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

18. The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

    (a) at the time the Filer files a Base Shelf Prospectus, the Filer satisfies every qualification criteria set out in section 2.3 of NI 44-101 and section 2.3 of NI 44-102, other than the qualification criteria set out in paragraph 2.3(d) of NI 44-101,

    (b) any Base Shelf Prospectus incorporates by reference

        i. the BPC AIF,

        ii. the BPI Financial Statements,

        iii. any other document of BPC that would be required to be incorporated by reference into the Base Shelf Prospectus under section 11.1 of Form 44-101F1 if BPC were the issuer under the Base Shelf Prospectus, and

        iv. any other document of BPI that would be required to be incorporated by reference into the Base Shelf Prospectus under section 11.1 of Form 44-101F1 if BPI were the issuer under the Base Shelf Prospectus,

    (c) any Base Shelf Prospectus includes

        i. the dividend related disclosure required by Item 6 of Form 51-102F2 in respect of BPI,

        ii. the audit committee related disclosure required by Form 52-110F2 in respect of the Filer, and

        iii. the corporate governance disclosure required under Form 58-101F2 in respect of the Filer, and

    (d) the Exemption Sought shall only be valid until such time as the Filer is required, under the Legislation or the securities legislation of the Passport Jurisdictions, to file its annual information form and annual financial statements in respect of its next financial year ending after the date of this decision.

"Cameron McInnis"
Manager, Corporate Finance

2.1.4 Cunningham Lindsey Group Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – 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., ss. 1(10).

July 10, 2008

Cunningham Lindsey Group Inc.
95 Wellington Street West, Suite 800
Toronto, Ontario
M5J 2N7

Dear Sirs/Mesdames:

Re: Cunningham Lindsey Group Inc. (the Applicant) - Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador and Yukon (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,

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.

"Erez Blumberger"
Manager, Corporate Finance
Ontario Securities Commission

2.1.5 RBC Private Counsel Inc.

Headnote

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

Rules Cited

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

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

AND

IN THE MATTER OF
RBC PRIVATE COUNSEL INC.

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

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

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

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

1. The Applicant is registered as an investment counsel and portfolio manager pursuant to subsection 26(1) of the Act. The Applicant's head office is located in Toronto. The Applicant has branches in numerous cities including London and Waterloo.

2. Mark Sarraino is registered as an associate advising representative with the Applicant. Mr. Sarraino is currently employed with the Applicant at its London branch, where he is supervised by a fully registered advising officer. However, the Applicant would like to transfer Mr. Sarraino to a more convenient location in Hamilton.

3. The Applicant currently has no registered advising officers or representatives located in Hamilton and proposes the Mr. Sarraino be supervised by John Wolfe, a registered advising officer who is located at the Applicant's Waterloo branch.

4. Rule 31-502 requires that the registered advising officer, partner or representative be employed at the same location as the associate advising representative, partner or officer whose advice must be approved (the **requirement for supervision from the same location**).

5. The Applicant has provided a description of its policies and procedures which combine the use of telephone, e-mail, order routing and frequent in person visits to the Hamilton office to facilitate adequate supervision of Mr. Sarraino despite the physical distance between the primary working locations of Mr. Sarraino and Mr. Wolfe.

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

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

A. The Applicant continues to be registered in the category of investment counsel and portfolio manager in the province of Ontario; and

B. Mr. Sarraino continues to be employed by the Applicant.

July 10, 2008

"Donna Leitch"

2.1.6 CIBC Asset Management Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions -Approval to suspend the rights of redemption of certain unitholders during a one-day data transfer and records conversion period - Integration of two unitholder record-keeping platforms into one platform - One-day suspension of redemptions needed to facilitate administration of the conversion and ensure there will be no pending transactions following the conversion - National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, paragraph 5.5(1)(d) and subsection 5.5(2).

July 10, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO (the "Jurisdiction")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

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

AND

IN THE MATTER OF
THE RENAISSANCE INVESTMENTS FAMILY OF FUNDS AND AXIOMS PORTFOLIOS LISTED IN APPENDIX "A"
(individually a "Fund" and collectively, the "Funds")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **"Legislation"**) for an approval pursuant to paragraph 5.5(1)(d) of National Instrument 81-102 *Mutual Funds* (**"NI 81-102"**), to suspend the rights of redemption of certain unitholders of the Funds during a one-day data transfer and records conversion period (the **"Suspension of Redemption Approval"**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

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

(b) the Filer, on behalf of the Funds, has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**"MI 11-102"**) is intended to be relied upon in each of the other Provinces and Territories of Canada (together with Ontario, the **"Jurisdictions"**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is a corporation established under the laws of Ontario and is the manager and trustee of each of the Funds.

2. The Funds are open-ended mutual fund trusts established under the laws of the Province of Ontario pursuant to an amended and restated master declaration of trust dated as of June 27, 2006, as further amended.

3. Each of the Funds is a reporting issuer in each of the Jurisdictions and, to the knowledge of the Filer, is not in default in any of the Jurisdictions of any requirements of applicable securities legislation.

4. Units of the Renaissance Investments family of funds (the **"Renaissance Funds"**) are offered for sale on a continuous basis in each of the Jurisdictions pursuant to a simplified prospectus and annual information form dated August 20, 2007, as amended by amendment no. 1 dated January 4, 2008, amendment no. 2 dated April 21, 2008 and amendment no. 3 dated May 1, 2008, which have been filed and receipted in each of the Jurisdictions (collectively, the **"Renaissance Funds Prospectus"**).

5. Units of the Axiom Portfolios are offered for sale on a continuous basis in each of the Jurisdictions pursuant to a simplified prospectus and annual information form dated March 6, 2008, which have been filed and receipted in each of the Jurisdictions (collectively, the **"Axiom Portfolios Prospectus"**).

6. The Renaissance Funds, which currently consist of 42 different mutual funds (two of which will be terminated on or about August 5, 2008), and the

Axiom Portfolios, which currently consist of 8 different mutual funds, are offered for sale through registered dealers.

7. The net asset value for each class of units of the Funds is calculated on a daily basis on each day the Toronto Stock Exchange is open for trading.

8. The Filer is the registrar and transfer agent of the Funds and maintains records of all unitholders of the Funds. Records of unitholders of the Funds are maintained under two different record-keeping systems (collectively, the **"Platforms"** and individually, a **"Platform"**), one located in Montréal and known as the TAS platform (**"TAS Platform"**) and one located in Toronto and known as the Unitrax Platform (**"Unitrax Platform"**).

9. Each of the Platforms uses a specific fund code for each class of units of the Funds and each eligible purchase option. On the TAS Platform, fund codes begin with "TAL" (**"TAL Codes"**) and on the Unitrax Platform, fund codes begin with "ATL" (**"ATL Codes"**). Units of the Renaissance Funds and Axiom Portfolios can be purchased under either of the two Platforms and records are maintained accordingly.

10. To increase operational efficiency, reduce operating costs for the Funds through consolidation of unitholder record-keeping and improve ease of access to the dealers and ultimately their clients, the Filer has decided to integrate the two Platforms into one Platform commencing on Friday September 12, 2008 (the **"Conversion"**). The Conversion shall be completed over the weekend and the Filer's system shall be operational by Monday September 15, 2008. In order to implement the Conversion, the Filer will convert, through a number of conversion programs, all records maintained under the TAS Platform to the Unitrax Platform and will discontinue the use of the TAS Platform. As part of the Conversion, all records maintained under the TAS Platform will be transferred onto the Unitrax Platform and all existing TAL Codes related to those records will be changed for the corresponding ATL Codes on the Unitrax Platform. Changes to the TAL Codes are required, as the Unitrax Platform cannot accommodate different fund codes for the same funds and, in some instances, similar fund codes are used on both Platforms. In addition, each unitholder's account number on the TAS Platform will also be changed to preserve integrity of client information and ensure client privacy as account numbers are not unique to the Unitrax and TAS Platform, which could result in different unitholders having the same account number as a result of the Conversion.

11. In order to facilitate the administration of the Conversion and ensure that there will be no pending transactions following the Conversion, the Filer proposes to suspend the right of redemption of unitholders holding the Funds under the TAS Platform for one day, on Friday September 12, 2008 (the **"Suspension Date"**). The Filer proposes to take the following measures prior to and on the Suspension Date with respect to units of the Funds offered and held under the TAL Codes: redemption and purchase orders through FundSERV for non-money market funds will be disallowed on the close of business on Tuesday September 9, 2008, as purchase and redemption orders via FundSERV settle on a T+3 basis; dealers will be able to submit direct (fax and paper) redemption, purchase and switch orders on all Funds up to the close of business on Thursday September 11, 2008, as these transactions settle on a T+1 basis. If the Suspension of Redemption Approval is granted, the Filer will not accept orders for redemptions, switches and purchases on the Suspension Date. Unitholders of the Funds with records on the TAS Platform will be able to request redemption of their units of the Funds on the following business day, Monday September 15, 2008 once the Conversion has been completed and all unitholders' records are on the new platform.

12. The Filer does not propose to suspend the rights of redemptions of unitholders of the Funds holding such Funds under the Unitrax Platform since the Conversion will not impact the records and accounts for unitholders holding their records on that Platform and the Conversion should be seamless and transparent for these unitholders.

13. On the Suspension Date, most of the Filer's resources will be assigned to the implementation of the Conversion. Accordingly, there will be fewer resources available to manually execute direct orders for redemptions, purchases and switches received for the Funds. The Suspension of Redemption Approval is therefore necessary in order to appropriately implement the Conversion and to eliminate the potential of orders that could not be executed due to the availability of resources.

14. The Suspension of Redemption Approval will assist in the Filer avoiding any pending transaction during or after the Conversion due to unsettled direct trades, pending requests or errors in manual entries (collectively, the **"Pending Transactions"**). Any Pending Transaction would require records readjustment and/or reconciliation between the Filer's records and those of the dealers' back offices making the reconciliation very complex due to the change in fund codes and account numbers and potentially involving risks of manual errors in the reconciliation process and accordingly, in the unitholders' records. The Suspension of Redemption Approval will facilitate the administration of the Conversion and ensure

that all records and data are converted during the Conversion.

15. On or about August 29, 2008, the Filer will send a written notice to each registered unitholder of the Funds with records on the TAS Platform. Such notice will provide unitholders with information relating to the Conversion, including their new account numbers with the Filer and a notification of fund code changes, and if the Suspension of Redemption Relief is granted, the notice will also inform unitholders about the suspension of their redemption rights on September 12, 2008.

16. On or about July 18, 2008, the Filer will communicate to all dealers through a FundSERV bulletin. The FundSERV bulletin will provide dealers with information relating to the Conversion, including information about the fund code changes, the Filer account number changes, the reconciliation files for the dealers, the trading schedule described above, and if the Suspension of Redemption Approval is granted, the suspension of redemption rights of certain unitholders of the Funds on September 12, 2008.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Suspension of Redemption Approval is granted to permit the Funds to suspend, on the Suspension Date, the right of redemption of unitholders holding units of the Funds under the TAS Platform.

"Darren McKall"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

SEDAR# 1285071 & 1285104

APPENDIX "A"

Renaissance Investments family of funds
Renaissance Money Market Fund
Renaissance Canadian T-Bill Fund
Renaissance U.S. Money Market Fund
Renaissance Canadian Income Fund
Renaissance Canadian Bond Fund
Renaissance Canadian Real Return Bond Fund
Renaissance Optimal Income Portfolio
Renaissance Canadian High Yield Bond Fund
Renaissance Global Bond Fund
Renaissance Canadian Balanced Fund
Renaissance Canadian Balanced Value Fund
Renaissance Canadian Asset Allocation Fund
Renaissance Global Asset Allocation Fund
Renaissance Canadian Monthly Income Fund
Renaissance Diversified Income Fund
Renaissance Millennium High Income Fund
Renaissance Canadian Dividend Income Fund
Renaissance Dividend Fund
Renaissance Canadian Core Value Fund
Renaissance Canadian Growth Fund
Renaissance Canadian Small-Cap Fund
Renaissance Millennium Next Generation Fund
Renaissance U.S. Equity Value Fund
Renaissance U.S. Equity Growth Fund
Renaissance U.S. Index Fund
Renaissance International Index Fund
Renaissance International Equity Fund
Renaissance Global Markets Fund
Renaissance Global Multi Management Fund
Renaissance Global Value Fund
Renaissance Global Growth Fund
Renaissance Global Focus Fund
Renaissance Global Small-Cap Fund
Renaissance European Fund
Renaissance Asian Fund
Renaissance China Plus Fund
Renaissance Emerging Markets Fund
Renaissance Global Infrastructure Fund
Renaissance Global Technology Fund
Renaissance Global Health Care Fund
Renaissance Global Resource Fund
Renaissance Global Science & Technology Fund

Axiom Portfolios

Axiom Balanced Income Portfolio
Axiom Diversified Monthly Income Portfolio
Axiom Balanced Growth Portfolio
Axiom Long-Term Growth Portfolio
Axiom Canadian Growth Portfolio
Axiom Global Growth Portfolio
Axiom Foreign Growth Portfolio
Axiom All Equity Portfolio

2.1.7 Rock Well Petroleum Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions - issuer granted relief from prospectus requirements in connection with the first trade of common shares of an issuer distributed to purchasers resident in certain jurisdictions under an exempt offering.

Applicable Legislative Provisions

National Instrument 45-102 Resale of Securities.

Applicable Ontario Statutory Provisions

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

Citation

Rock Well Petroleum Inc., 2008 ABASC 390.

June 24, 2008

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

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
ROCK WELL PETROLEUM INC.
(the Filer)

DECISION

Background

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

(a) an exemption from the prospectus requirements (the **Exemption Sought**) for the first trade of common shares of the Filer distributed to purchasers resident in British Columbia, Quebec and the Jurisdictions under available exemptions in connection with private placements completed from May 19, 2005 to April 16, 2006 (the **Private Placements**); and

(b) a decision (the **Confidentiality Relief Sought**) that the application and this decision (collectively, the **Confidential Materials**) be held in confidence by the Decision Makers until the earliest of the following:

(i) the date on which the Offering (as defined below) or the listing of the Common Shares (as defined below) on the LSE (as defined below) is publicly disclosed;

(ii) the date on which the Filer advises the Decision Makers that there is no longer any need to hold the Confidential Materials in confidence; and

(iii) 90 days after the date of this decision.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia and Quebec; and

(c) this decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer was incorporated under the laws of Alberta on February 28, 2005, and is governed by the *Business Corporations Act* (Alberta). The Filer was extraprovincially registered under the laws of British Columbia on March 4, 2005 and under the laws of Saskatchewan on July 21, 2006.

2. The Filer's head office is in Sheridan, Wyoming.

3. The Filer's Canadian head office and registered office are located in Calgary, Alberta.

4. The Filer is not a reporting issuer in any jurisdiction in Canada nor are any of its securities listed or posted for trading on any exchange in Canada. The Filer has no present intention of becoming a reporting issuer in Canada.

5. The Filer's mind and management is not located in Alberta.

6. The authorized capital of the Filer consists of an unlimited number of Class A common shares (the **Common Shares**), of which 213,907,541 Common Shares are issued and outstanding, and an unlimited amount of Class B shares, issuable in series, of which none are outstanding.

7. In the Private Placements, 12,834,666 Common Shares were sold and issued to residents of Canada (the **Canadian Common Shares**).

8. In the absence of an order granting the Exemption Sought, the first trade of the Canadian Common Shares by a resident of British Columbia, Quebec and the Jurisdictions (the **Canadian Shareholders**) will be deemed to be a distribution pursuant to National Instrument 45-102 *Resale of Securities* (**NI 45-102**) unless, among other things, the Filer is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade.

9. The exemption provided for by section 2.14(1) of NI 45-102 will not be available to the Canadian Shareholders with respect to a first trade of Canadian Common Shares as the criteria set out at Section 2.14(1)(b) of NI 45-102 are not met in that, at the distribution date, residents of Canada did not hold less than 10% of the Common Shares and did not represent in number less than 10% of the total number of owners, directly or indirectly, of Common Shares.

10. The Filer has determined that as of June 17, 2008, Canadian residents hold approximately 6% of the total issued and outstanding Common Shares.

11. Using reasonable efforts, the Filer determined that as of June 17, 2008, 13.47% of the total number of shareholders, direct or indirect, of Common Shares are residents of Canada. If all of the beneficial holders of Common Shares were accounted for, the Filer believes that less than 10% of the total number of shareholders, direct or indirect, would be resident in Canada.

12. The Filer proposes to conduct an initial public offering of its Common Shares (the **Offering**). None of the Common Shares to be issued under the Offering will be distributed to residents of Canada.

13. The Filer has made an application to list the Common Shares for trading on the London Stock Exchange (**LSE**), following which, the Common Shares will be publicly traded on such foreign exchange.

14. Immediately following the Offering, the Canadian Common Shares will constitute less than 10% of the issued and outstanding Common Shares. Further, after giving effect to the Offering, it is anticipated that holders of the Canadian Common Shares will represent in number less than 10% of the total number of owners, directly or indirectly, of Common Shares of the Filer.

15. No market currently exists in Canada for the Common Shares and none is expected to develop. It is intended that any resale of the Canadian Common Shares by Canadian residents will be effected through the facilities of the LSE, in accordance with its rules and regulations.

16. The Filer will be subject to the reporting obligations under the rules of the LSE. Canadian Shareholders will receive copies of all shareholder materials provided to all other holders of Common Shares, as required by the rules of the LSE.

17. The Filer is not in default of securities legislation in any jurisdiction.

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

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

1. the Exemption Sought is granted provided that:

   (a) at the date of the trade, the Filer is not a reporting issuer in any jurisdiction in Canada; and

   (b) the trade is made through an exchange, or a market, outside of Canada; and

2. the Confidentiality Relief Sought is granted.

"Glenda A. Campbell"
Alberta Securities Commission

"Stephen R. Murison"
Alberta Securities Commission

2.1.8 National Bank Securities Inc. et al. – MRRS Decision

Headnote

Conflict relief for portfolio manager of mutual funds to purchase units of related mutual funds on behalf of insurance affiliates of portfolio manager whereby the payment of the purchase price of units of the mutual funds may be satisfied by making good delivery of securities held by the affiliates of the portfolio manager and the payment of the redemption price of units of the mutual funds to the managed accounts may be satisfied by making good delivery of securities held in the investment portfolio of the mutual funds - portfolio manager at arm's length to fund manager - details disclosed in funds' prospectus - relief subject to IRC approval and pricing conditions.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 118(2)(b) and 121(2)(a)(ii).
National Instrument 81-107 Independent Review Committee for Investment Funds.

July 4, 2008

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

AND

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

AND

IN THE MATTER OF
NATIONAL BANK SECURITIES INC.
(the "Applicant")

AND

IN THE MATTER OF
THE OMEGA HIGH DIVIDEND FUND AND
THE OMEGA PREFERRED EQUITY FUND
(each, a "Fund" and collectively, the "Funds")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **"Decision Maker"**) in each of the Jurisdictions has received an application (the **"Application"**) from the Applicant on behalf of each of the Funds for a decision under the securities legislation (the **"Legislation"**) of the Jurisdictions that ING Investment Management, Inc. (**"ING Investment Management"**) and its affiliates (each, an **"ING Affiliate"** and collectively with ING Investment Management, **"ING"**) be exempt, under the Legislation of the Provinces of British Columbia, Alberta, Saskatchewan, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador, from the conflict of interest provisions contained in the Legislation that prohibit among other things transfers of securities between a mutual fund and its portfolio manager, in connection with the purchase and redemption of Fund units, whereby payment for the purchase of units or the redemption of units by ING may be satisfied by transferring securities that meet the investment criteria of a Fund from ING to the Fund or from the Fund to ING, as the case may be (an **"In-Species Transfer"**) (the **"Requested Relief"**).

Under the MRRS:

(i) the principal regulator for the Application is the Autorité des marchés financiers (the "Autorité"); and

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

Interpretation

Defined terms contained in *National Instrument 14-101 respecting Definitions* and *National Instrument 81-102 respecting Mutual Funds* (**"NI 81-102"**) have the same meaning in this MRRS Decision Document unless they are otherwise defined in this MRRS Decision Document.

Representations

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

1. The Applicant is the manager of the Funds. ING Investment Management is the portfolio manager of the Funds. Each of the Funds is an open-ended mutual fund trust established under the laws of Ontario. Each of the Funds is a reporting issuer in the Jurisdictions.

2. Each of the Funds is qualified for distribution in each of the provinces and territories of Canada under a simplified prospectus and annual information form dated May 16, 2008.

3. ING has made initial investments in the Funds. It is expected that ING will make further investments, which may be significant, in each of the Funds and may purchase or redeem units of each Fund from time to time. It is proposed that payment for any future purchase or redemption of units of the Funds by ING may be satisfied by an In-Species Transfer.

4. In-Species Transfers in connection with the purchase of units of a Fund are in the best interests of both existing unitholders of a Fund and ING because brokerage fees are eliminated on both sides of the transfer. ING is spared the cost of brokerage fees to liquidate its existing portfolio of securities to free up cash to buy the units of a Fund and is also spared the cost of its pro rata share of brokerage fees paid by the Fund to purchase the same securities with the cash received from the new investor. The existing unitholders of a Fund are spared the cost of their pro rata share of brokerage commissions paid by the Fund to purchase the same securities with the cash investment.

5. In-Species Transfers in connection with the redemption of units of a Fund spare the Fund (and thus the continuing unitholders) significant brokerage fees that would be associated with liquidating securities in order to fund the redemption proceeds. ING may receive payment for a redemption of units in a Fund in the form of an In-Species Transfer or in cash.

6. ING will not receive any compensation in respect of an In-Species Transfer.

7. The price at which In-Species Transfers occur is determined on the same basis as NI 81-102 requires in respect of such transactions. The In-Species Transfers will be completed in accordance with the applicable requirements of subsections 9.4(2) and 10.4(3) of NI 81-102.

8. An independent review committee (**"IRC"**) was established for the Funds and is fully operational. The IRC complies with applicable securities legislation, including *National Instrument 81-107 respecting Independent Review Committee for Investment Funds* (**"NI 81-107"**).

9. The Applicant and ING have established and follow written policies and procedures with respect to In-Species Transfers to or from a Fund in payment of the purchase price or redemption price for the issuance or redemption of units of the Fund. The written policies and procedures have been reviewed and approved by the IRC and will include, among other requirements, that ING prepare a proposed list of securities to be included in the In-Species Transfer for review and approval by the Applicant as manager of the Fund.

10. The IRC has globally reviewed and approved the relationship between the Applicant and ING Investment Management and their respective roles in respect of the Funds, including the following matters: (i) the entering into of an *O Series* account agreement between the manager and ING Investment Management, (ii) the fact that In-Species Transfers will consist of ING Investment Management's own assets or assets of ING Affiliates that it manages.

11. The IRC will review and approve, by way of standing instruction, the In-Species Transfers to be completed in connection with the purchase or redemption of units of the Funds by ING in accordance with subsection 5.2(2) of NI 81-107 and, if applicable, section 5.4 of NI 81-107.

12. The proposed investment by ING and the possible In-Species Transfers have been disclosed in the simplified prospectus and the annual information form of the Funds, and will continue to be so disclosed for as long as In-Species Transfers may be effected.

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 on the conditions that:

(a) the provisions of sections 5.2 and 5.4 of NI 81-107 dealing with matters that require the approval of the IRC apply to the In-Species Transfers;

(b) the In-Species Transfers are consistent with, or are necessary to meet, the investment objective of the Fund;

(c) the Applicant, as manager of the Fund, complies with section 5.1 of NI 81-107;

(d) the IRC of the Fund has approved the In-Species Transfers in accordance with subsection 5.2(2) of NI 81-107;

(e) the Applicant, as manager of the Fund, and the IRC of the Fund comply with section 5.4 of NI 81-107 for any standing instructions provided by the IRC in connection with the In-Species Transfers;

(f) the bid and ask price of the security included in an In-Species Transfer is readily available;

(g) the Fund receives no consideration and the only cost for the trade is the nominal cost incurred by the Fund to print or otherwise display the trade;

(h) the transaction is subject to market integrity requirements (as defined in NI 81-107);

(i) the Fund keeps the written records required by subparagraph 6.1(2)(g) of NI 81-107; and

(j) in case of an In-Species Transfer from ING to the Fund, securities representing not less than 95% of the value of the securities included in the In-Species Transfer are transferred at the current market price of the security (as defined in NI 81-107).

Superintendant
Mario Albert
AUTORITÉ DES MARCHÉS FINANCIERS

2.1.9 CI Investments et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from restrictions and requirements in subsection 2.1(1) and paragraphs 2.2(1)(a), 2.5(2)(a) and 2.5(2)(c) of NI 81-102 Mutual Funds. Exemption will permit certain mutual funds to continue to purchase and hold securities of certain related underlying funds after these underlying funds cease to offer their securities under a simplified prospectus – The underlying funds remain reporting issuers and subject to all Mutual Fund Instruments.

Applicable Legislative Provisions

National Instrument 81-102 *Mutual Funds*, subsection 2.1(1), paragraphs 2.2(1)(a), 2.5(2)(a), 2.5(2)(c) and section 19.1.

July 10, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO (the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
CI INVESTMENTS INC. (the Filer)

AND

CI SHORT-TERM ADVANTAGE CORPORATE CLASS,
SELECT 100I MANAGED PORTFOLIO CORPORATE CLASS,
SELECT 80I20E MANAGED PORTFOLIO CORPORATE CLASS,
SELECT 70I30E MANAGED PORTFOLIO CORPORATE CLASS,
SELECT 60I40E MANAGED PORTFOLIO CORPORATE CLASS,
SELECT 50I50E MANAGED PORTFOLIO CORPORATE CLASS,
SELECT 40I60E MANAGED PORTFOLIO CORPORATE CLASS,
SELECT 30I70E MANAGED PORTFOLIO CORPORATE CLASS,
SELECT 20I80E MANAGED PORTFOLIO CORPORATE CLASS,
SELECT 100E MANAGED PORTFOLIO CORPORATE CLASS
(the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Funds from:

(i) the prohibition contained in paragraph 2.1(1) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) against a mutual fund purchasing a security of an issuer, or entering into a specified derivatives transaction, if, immediately after the transaction, more than 10 percent of the net assets of the mutual fund, taken at market value at the time of the transaction, would be invested in securities of any issuer;

(ii) the prohibition contained in paragraph 2.2(1)(a) of NI 81-102 against a mutual fund purchasing a security of an issuer if, immediately after the purchase, the mutual fund would hold securities representing more than 10 percent of (i) the votes attaching to the outstanding voting securities of that issuer or (ii) the outstanding equity securities of that issuer;

(iii) the prohibition contained in paragraph 2.5(2)(a) of NI 81-102 against a mutual fund purchasing or holding securities of another mutual fund that is not subject to the requirements of National Instrument 81-101 *Mutual Fund Distributions*; and

(iv) the prohibition contained in paragraph 2.5(2)(c) of NI 81-102 against a mutual fund purchasing or holding securities of another mutual fund where those securities are not qualified for distribution in the local jurisdiction.

(collectively, the **Requested Relief**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, the Yukon Territory and Nunavut Territory, where applicable.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

The Funds

1. Each Fund is an open-ended mutual fund which currently distributes its securities in each province and territory of Canada pursuant to a simplified prospectus and annual information form. Each Fund is a reporting issuer (or the equivalent) under the securities legislation of each province and territory of Canada and is not in default of securities legislation in any province or territory of Canada.

2. The investment objective of CI Short-Term Advantage Corporate Class is to achieve tax-efficient returns that are similar to those of money market instruments in Canada and other developed countries while preserving capital. In order to achieve its objective, this Fund invests primarily in equity securities of Canadian issuers (the **Canadian Equity Portfolio**). This Fund also enters into one or more specified derivatives to effectively replace the risks and returns of its Canadian Equity Portfolio with returns based on the returns of CI Short-Term Advantage Trust. Since the underlying interest of the specified derivatives is securities of CI Short-Term Advantage Trust, this Fund is deemed by section 2.5(1)(b) of NI 81-102 to be holding securities of CI Short-Term Advantage Trust for purposes of section 2.5 of NI 81-102.

3. The investment objectives of each of the other Funds (each a **Portfolio Fund** and, collectively, the **Portfolio Funds**) includes the ability to invest in securities of other mutual funds. Each Portfolio Fund currently invests its assets in securities of a combination of Select Income Managed Fund, Select Canadian Equity Managed Fund, Select U.S. Equity Managed Fund and Select International Equity Managed Fund (together with CI Short-Term Advantage Trust, the **Reference Funds** and, individually, a **Reference Fund**).

The Reference Funds

4. Each Reference Fund is an open-ended mutual fund which currently distributes its securities only to accredited investors as defined in National Instrument 45-106 – *Prospectus Exempt*

Distributions in each province and territory of Canada pursuant to a simplified prospectus and annual information form (a **Reference Fund Prospectus**). Each Reference Fund is a reporting issuer (or the equivalent) under the securities legislation of each province and territory of Canada and is subject to the requirements of NI 81-102, National Instrument 81-106 – *Investment Fund Continuous Disclosure* (**NI 81-106**) and National Instrument 81-107 – *Independent Review Committee for Investment Funds* (the **Mutual Fund Instruments**), except to the extent that it may be granted discretionary relief from any such requirements.

5. After a Reference Fund Prospectus lapses, each Reference Fund intends to continue distributing its securities only on a basis which is exempt from the prospectus requirements in Canadian securities legislation.

6. After a Reference Fund discontinues distributing its securities under a simplified prospectus, each Fund will no longer be permitted to purchase or hold a security of the Reference Fund.

7. After a Reference Fund discontinues distributing its securities under a simplified prospectus, each Reference Fund will remain a reporting issuer subject to the Mutual Fund Instruments.

8. Material information concerning each Reference Fund will be readily available to investors on the internet through the continuous disclosure documents filed by the Reference Fund and/or posted on the Filer's website as required by NI 81-106.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Requested Relief is granted to permit the Funds to purchase or hold securities of the Reference Funds provided that the Reference Funds remain reporting issuers that are subject to the Mutual Fund Instruments in all jurisdictions in which the securities of the Funds are distributed.

"Darren McKall"
Assistant Manager, Investment Funds
Ontario Securities Commission

SEDAR #1274095

2.1.10 First Quantum Minerals Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

July 14, 2008

First Quantum Minerals Ltd.
8th Floor - 543 Granville Street
Vancouver, British Columbia
V6C 1X8

Dear Sirs/Mesdames:

RE: Scandinavian Minerals Limited (the "Applicant") - application for a decision under the securities legislation of Alberta, Manitoba, Ontario, Saskatchewan, Nova Scotia, Prince Edward Island and New Brunswick (the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions 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,

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.

"Cameron McInnis"
Manager Corporate Finance
Ontario Securities Commission

2.1.11 National Bank Securities Inc. et al. – MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Conflict relief for portfolio manager of mutual funds to purchase units of related mutual funds on behalf of insurance affiliates of portfolio manager whereby the payment of the purchase price of units of the mutual funds may be satisfied by making good delivery of securities held by the affiliates of the portfolio manager and the payment of the redemption price of units of the mutual funds to the managed accounts may be satisfied by making good delivery of securities held in the investment portfolio of the mutual funds - portfolio manager at arm's length to fund manager - details disclosed in funds' prospectus - relief subject to IRC approval and pricing conditions.

Applicable Ontario Statutory Provisions

National Instrument 81-102 Mutual Funds, sections 4.2 and 19.1.
National Instrument 81-107 Independent Review Committee for Investment Funds.

July 7, 2008

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

AND

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

AND

IN THE MATTER OF
NATIONAL BANK SECURITIES INC. (the "Applicant")

AND

IN THE MATTER OF
THE OMEGA HIGH DIVIDEND FUND AND THE OMEGA PREFERRED EQUITY FUND (each, a "Fund" and collectively, the "Funds")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **"Decision Maker"**) in each of the Jurisdictions has received an application (the **"Application"**) from the Applicant on behalf of each of the Funds for a decision under the securities legislation (the **"Legislation"**) of the Jurisdictions that the Funds, be exempt, in all of the Jurisdictions, under section 19.1 of National Instrument *81-102 respecting Mutual Funds* (**"NI 81-102"**), from the restriction in section 4.2 of NI 81-102 in order to allow the Funds to (i) purchase securities from ING Investment Management, Inc. (**"ING Investment Management"**), as portfolio manager of the Funds, or one or more affiliates of ING Investment Management (each, an **"ING Affiliate"**), in payment of the purchase price for the issuance of the Fund units to ING Investment Management or an ING Affiliate (ING Investment Management and the ING Affiliates are referred to collectively as **"ING"**), and (ii) transferring securities to ING in satisfaction of the redemption price for the redemption of units of a Fund by ING (the transactions defined in (i) and (ii) above each being an **"In-Species Transfer"**) (the **"Requested Relief"**).

Under the MRRS:

(i) the principal regulator for the Application is the Autorité des marchés financiers (the **"Autorité"**); and

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

Interpretation

Defined terms contained in National Instrument *14-101 respecting Definitions* and NI 81-102 have the same meaning in this MRRS Decision Document unless they are otherwise defined in this MRRS Decision Document.

Representations

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

1. The Applicant is the manager of the Funds. ING Investment Management is the portfolio manager of the Funds. Each of the Funds is an open-ended mutual fund trust established under the laws of Ontario. Each of the Funds is a reporting issuer in the Jurisdictions.

2. Each of the Funds is qualified for distribution in each of the provinces and territories of Canada under a simplified prospectus and annual information form dated May 16, 2008.

3. ING has made initial investments in the Funds. It is expected that ING will make further investments, which may be significant, in each of the Funds and may purchase or redeem units of each Fund from time to time. It is proposed that payment for any future purchase or redemption of units of the Funds by ING may be satisfied by an In-Species Transfer.

4. In-Species Transfers in connection with the purchase of units of a Fund are in the best interests of both existing unitholders of a Fund and ING because brokerage fees are eliminated on both sides of the transfer. ING is spared the cost of brokerage fees to liquidate its existing portfolio of securities to free up cash to buy the units of a Fund and is also spared the cost of its pro rata share of brokerage fees paid by the Fund to purchase the same securities with the cash received from the new investor. The existing unitholders of a Fund are spared the cost of their pro rata share of brokerage commissions paid by the Fund to purchase the same securities with the cash investment.

5. In-Species Transfers in connection with the redemption of units of a Fund spare the Fund (and thus the continuing unitholders) significant brokerage fees that would be associated with liquidating securities in order to fund the redemption proceeds. ING may receive payment for a redemption of units in a Fund in the form of an In-Species Transfer or in cash.

6. ING will not receive any compensation in respect of an In-Species Transfer.

7. The price at which In-Species Transfers occur is determined on the same basis as NI 81-102 requires in respect of such transactions. The In-Species Transfers will be completed in accordance with the applicable requirements of subsections 9.4(2) and 10.4(3) of NI 81-102.

8. An independent review committee (**"IRC"**) was established for the Funds and is fully operational. The IRC complies with applicable securities legislation, including National Instrument *81-107 respecting Independent Review Committee for Investment Funds* (**"NI 81-107"**).

9. The Applicant and ING have established and follow written policies and procedures with respect to In-Species Transfers to or from a Fund in payment of the purchase price or redemption price for the issuance or redemption of units of the Fund. The written policies and procedures have been reviewed and approved by the IRC and will include, among other requirements, that ING prepare a proposed list of securities to be included in the In-Species Transfer for review and approval by the Applicant as manager of the Fund.

10. The IRC has globally reviewed and approved the relationship between the Applicant and ING Investment Management and their respective roles in respect of the Funds, including the following matters: (i) the entering into of an O Series account agreement between the manager and ING Investment Management, (ii) the fact that In-Species Transfers will consist of ING Investment Management's own assets or assets of ING Affiliates that it manages.

11. The IRC will review and approve, by way of standing instruction, the In-Species Transfers to be completed in connection with the purchase or redemption of units of the Funds by ING in accordance with subsection 5.2(2) of NI 81-107 and, if applicable, section 5.4 of NI 81-107.

12. The proposed investment by ING and the possible In-Species Transfers have been disclosed in the simplified prospectus and the annual information form of the Funds, and will continue to be so disclosed for as long as In-Species Transfers may be effected.

13. Section 4.3 of NI 81-102 provides an exemption from the requirements of section 4.2 of the same regulation if the price payable for the security is (a) not more than the ask price of the security as reported by any available public quotation in common use, in the case of a purchase by the mutual fund, or (b) not less than the bid price of the security as reported by any available public quotation in common use, in the case of a sale by the mutual fund.

14. The exemption in section 4.3 of NI 81-102 may not be available for In-Species Transfers in certain limited circumstances, for example if the closing sale price of a listed security is higher than the closing ask price or lower than the closing bid price, as reported by any available public quotation in common use, or in the case of illiquid securities that have not traded on a particular trading day where the valuator of the Funds has determined that it would be appropriate in the circumstances to use fair value pricing procedures to determine a price for the security.

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 on the conditions that:

(a) the provisions of sections 5.2 and 5.4 of NI 81-107 dealing with matters that require the approval of the IRC apply to the In-Species Transfers;

(b) the In-Species Transfers are consistent with, or are necessary to meet, the investment objective of the Fund;

(c) the Applicant, as manager of the Fund, complies with section 5.1 of NI 81-107;

(d) the IRC of the Fund has approved the In-Species Transfers in accordance with subsection 5.2(2) of NI 81-107;

(e) the Applicant, as manager of the Fund, and the IRC of the Fund comply with section 5.4 of NI 81-107 for any standing instructions provided by the IRC in connection with the In-Species Transfers;

(f) the bid and ask price of the security included in an In-Species Transfer is readily available;

(g) the Fund receives no consideration and the only cost for the trade is the nominal cost incurred by the Fund to print or otherwise display the trade;

(h) the transaction is subject to market integrity requirements, as defined in NI 81-107;

(i) the Fund keeps the written records required by sub paragraph 6.1(2)(g) of NI 81-107; and

(j) in case of an In-Species Transfer from ING to the Fund, securities representing not less than 95% of the value of the securities included in the In-Species Transfer are transferred at the current market price of the security, as defined in NI 81-107.

Josée Deslauriers
Director of Capital Markets

SEDAR PROJECT # 1174959

2.1.12 SXC Health Solutions Corp.

Headnote

MI 11-102 and NP 11-203 as applicable – Relief granted from having to present a reconciliation in accordance with Canadian GAAP for annual and interim acquisition statements and a Canadian GAAP reconciliation of proforma financial information in the business acquisition report required to be filed in connection with an acquisition – Acquiror has filed US GAAP financial statements for year ended December 31, 2007 with comparatives for 2006 – acquiree is a US GAAP filer – Relief granted on the basis that there is a consistent basis of accounting, i.e. US GAAP.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, ss. 6.1(5)(b) and 7.1(2)

July 14, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO (THE "JURISDICTION")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
SXC HEALTH SOLUTIONS CORP.
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction (the "Legislation") for an exemption from the requirements of Parts 6 and 7 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* ("NI 52-107") to present a reconciliation in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") of the Annual and Interim Acquisition Statements (as defined below) and a Canadian GAAP reconciliation of the Proforma Financial Information (as defined below) in the business acquisition report (the "BAR") required to be filed in connection with SXC's acquisition of National Medical Health Card Systems, Inc. ("NMHC") on April 30, 2008 (the "Exemptive Relief Sought").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

Interpretation

Terms defined in National Instrument 14-101 Definitions have the same meaning in this decision, unless otherwise defined.

Representations

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

1. SXC is a corporation existing under the *Business Corporations Act* (Yukon) and is an SEC issuer, as defined under Part 1.1 of NI 52-107.

2. SXC's head office is located at 2441 Warrenville Road, Suite 610, Lisle, IL, 60532-3642.

3. SXC is a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (collectively, the "Jurisdictions").

4. The common shares of SXC are listing and posted for trading on the Toronto Stock Exchange and NASDAQ.

5. SXC is not in default of any of its obligations as a reporting issuer in any of the Jurisdictions.

6. Effective January 1, 2008, SXC adopted United States generally accepted accounting principles as defined in Part 1.1 of NI 52-107 ("US GAAP") as the comprehensive basis of accounting and financial reporting. SXC filed its fiscal 2007 consolidated financial statements prepared in accordance with Canadian GAAP and including a reconciliation to US GAAP on SEDAR on March 18, 2008. In addition, SXC filed its fiscal 2007 annual report included on Form 10-K as its Annual Information Form on SEDAR on March 17, 2008. Form 10-K included its fiscal 2007 consolidated financial statements prepared in accordance with US GAAP.

7. On April 29, 2008, SXC, through its indirect wholly-owned subsidiary, Comet Merger Corporation ("Comet"), completed an exchange offer (the "Offer") for all of the outstanding shares of NMHC and approximately 11,729,145 shares of NMHC common stock were exchanged in the Offer at a per share price of (i) $7.70 in cash, without interest, and (ii) 0.217 of a common share of SXC.

8. On April 30, 2008, Comet merged with and into NMHC, pursuant to the short-form merger procedure available under Delaware law (the "Merger"). As a result of the Merger, NMHC became an indirect, wholly-owned subsidiary of SXC and each share of NMHC common stock outstanding immediately prior to the Merger (other than shares of NMHC common stock held in NMHC's treasury or owned by NMHC, SXC or any of its subsidiaries and shares for which dissenter's rights were perfected) were converted into the right to receive $7.70 in cash, without interest, and 0.217 of a common share of SXC. In addition, 170,500 NMHC restricted stock units were assumed by SXC and converted into 126,731 SXC restricted stock units and all NMHC stock options outstanding at the effective time of the Merger were converted into the right to receive consideration based on the intrinsic value, if any, of such options.

9. In connection with the Offer and the Merger (collectively, the "Acquisition"), SXC issued approximately 2.8 million common shares and paid, through its subsidiaries, approximately $100 million in cash in exchange for all of the outstanding shares of NMHC common stock. Of the cash paid, approximately $54 million was cash on hand and $46 million was funds borrowed from a new term loan facility.

10. In connection with the Acquisition, SXC is required to file a BAR in accordance with Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102") on or before July 14, 2008. NMHC is more than 20% significant to SXC as set out in Part 8 of NI 51-102.

11. In accordance with Part 4 of NI 52-107, SXC intends to present a reconciliation of US and Canadian GAAP differences that relate to recognition, measurement and presentation differences, and to provide disclosure consistent with disclosure requirements of Canadian GAAP applicable to public enterprises for all interim and annual filings ending December 31, 2009. The Canadian GAAP reconciliation information was included in SXC's first quarter interim filing for the three months ended March 31, 2008 and 2007. The significant Canadian-US GAAP differences identified in note 11 to these interim consolidated financial statements were limited to accounting for income tax uncertainties and stock based compensation.

12. The BAR is expected to contain the following financial information prepared in accordance with US GAAP:

(a) The audited financial statements for NMHC as at June 30, 2007 and 2006, and for the years ended June 30, 2007, 2006 and 2005 prepared in accordance with US GAAP as set out in it annual report on Form 10-K, and the auditors' report thereon ("Annual Acquisition Statements").

(b) The unaudited interim financial statements of NMHC as at March 31,

2008 and for the three month and nine month periods ended March 31, 2008 and 2007 prepared in accordance with US GAAP. These interim statements were not filed with the SEC. ("Interim Acquisition Statements") (Item 12 (a) and (b), collectively, the "Acquisition Statements").

(c) The proforma combined balance sheet of SXC and NMHC as at March 31, 2008 and the proforma combined income statement of SXC and NMHC for the year ended December 31, 2007 and for the three month interim period ended March 31, 2008 based on the US GAAP information of the companies (collectively, the "Proforma Financial Information").

13. Part 6.1(5)(b) of NI 52-107 requires that the Annual and Interim Acquisition Statements of NMHC be reconciled to Canadian GAAP consistent with Item 11 above. Part 7.1(2) of NI 52-107 requires that the Proforma Financial Information prepared in accordance with US GAAP also be reconciled to Canadian GAAP applicable to public enterprises.

14. As SXC (i) has previously filed consolidated financial statements for the period ended December 31, 2007 with comparatives for 2006 using the same accounting principles used to prepare the Acquisition Statements, i.e. US GAAP, and (ii) effective January 1, 2008, has adopted US GAAP as the comprehensive basis of accounting and financial reporting, a Canadian GAAP reconciliation of the Acquisition Statements is not necessary in order for investors to have a consistent basis of accounting for the Acquisition Statements and SXC's financial statements

15. SXC management will consolidate the results of operations of the acquired business from the acquisition date and, as part of that process, will conform the accounting policies of the acquired business to those of SXC. SXC will continue to present a Canadian GAAP reconciliation for the consolidated financial statements of SXC in its interim and annual filings through December 31, 2009.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the principal regulator under the Legislation is that the Exemptive Relief sought is granted.

"Lisa Enright"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.13 CIBC Asset Management Inc. et al.

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from self-dealing provisions in s. 111 of the Act to permit pooled funds to purchase securities of related party – related party purchases subject to conditions including independent oversight and the trade must occur on an exchange or comply with alternative pricing conditions.

Applicable Legislative Provisions

Securities Act (Ontario), ss., 111(2)(a), 111(3), 113.
National Instrument 81-107 – Independent Review Committee for Investment Funds.

July 8, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO and ALBERTA,
(the Jurisdictions)

AND

IN THE MATTER OF
CIBC ASSET MANAGEMENT INC. AND
CIBC GLOBAL ASSET MANAGEMENT INC.
(the Filers)

AND

IN THE MATTER OF
the funds listed in Schedule A (each, an Existing Pooled Fund and, collectively, the Existing Pooled Funds)

DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) received an application (the **Application**) from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) in respect of each Existing Pooled Fund and any future pooled fund (each, a **Future Pooled Fund** and, collectively, the **Future Pooled Funds**) managed by a Filer, or an affiliate of a Filer, for an exemption (the **Requested Relief**) from the prohibition in the Legislation (the **Related Issuer Prohibition**) that prohibits a mutual fund from knowingly making or holding an investment in any person or company who is a substantial securityholder of the mutual fund, its management company, or distribution company in order to permit the Existing Pooled Funds and the Future Pooled Funds to purchase securities of Canadian Imperial Bank of Commerce (**CIBC**) in the secondary market.

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions*, in NI 81-102 – Mutual Funds (**NI 81-102**), and in National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**) have the same meaning in this Decision Document unless they are otherwise defined in this Decision Document.

Representations

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

1. Each of the Existing Pooled Funds and the Future Pooled Funds (each, a **Pooled Fund** and, collectively, the **Pooled Funds**) is, or will be, an open-ended mutual fund trust or mutual fund corporation that is a mutual fund in Ontario because it is established under the laws of Ontario. The Pooled Funds are not and will not be reporting issuers under the Legislation.

2. A Filer, or an affiliate of a Filer, is, or will be, the manager and/or portfolio adviser of each of the Pooled Funds.

3. CIBC is a substantial securityholder of the Filers and may be a substantial securityholder of an affiliate of the Filers.

4. A Filer, or an affiliate of a Filer, will establish an independent review committee (an **IRC**) in respect of a Pooled Fund.

5. The mandate of the IRC of a Pooled Fund will include approving purchases by a Pooled Fund of securities of CIBC. The IRC of the Pooled Funds will be composed by a Filer, or an affiliate of a Filer, in accordance with section 3.7 of NI 81-107 and will be expected to comply with the standard of care set out in section 3.9 of NI 81-107. Further, the IRC of the Pooled Funds will not approve purchases of securities of CIBC unless it has made the determination set out in section 5.2(2) of NI 81-107.

6. The Filers are unable to rely upon the exemption from the Related Issuer Prohibition codified under s. 6.2(2) of NI 81-107 because the Pooled Funds are not subject to NI 81-107 and some of the purchases of CIBC securities will not occur on an exchange.

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 Maker is that the Requested Relief is granted in respect of each Pooled Fund on the following conditions:

(i) the IRC of the Pooled Fund has approved the transaction in respect of the Pooled Fund on the same terms as are required under section 5.2 of NI 81-107;

(ii) the transaction is consistent with, or is necessary to meet, the investment objective of the Pooled Fund;

(iii) if the security is listed and traded, the purchase is made on an exchange on which the securities are listed and traded;

(iv) if the security is not listed:

(A) the security is a debt security that has been given, and continues to have, at the time of the purchase, an approved credit rating by an approved credit rating organization;

(B) the price payable for the security is not more than the ask price of the security;

(C) the ask price of the security is determined as follows:

(1) if the purchase occurs on a marketplace, the price payable is determined in accordance with the requirements of that marketplace; or

(2) if the purchase does not occur on a marketplace,

I. the Pooled Fund may pay the price for the security, at which an independent, arm's length seller is willing to sell the security, or

II. if the Pooled Fund does not purchase the security from an independent arm's length seller, the Pooled Fund must pay the price quoted publicly by an independent marketplace or obtain, immediately before the purchase, at least one quote from an independent, arm's length purchaser or

seller and not pay more than that quote;

(v) a Filer, or an affiliate of a Filer, files with the Decision Maker particulars of any transactions, annually, on or before the 90th day after the financial year end of the Pooled Fund; and

(vi) the reporting obligation in section 4.5 of NI 81-107 applies to the Requested Relief granted in this Decision and the IRC of the Funds relying on the Requested Relief complies with section 4.5 of NI 81-107 in connection with any instance that it becomes aware that the Filers did not comply with any of the conditions of this Decision.

SCHEDULE A

CIBC POOLED BALANCED FUND
CIBC POOLED GLOBAL BALANCED FUND
CIBC POOLED CANADIAN EQUITY FUND
CIBC POOLED CANADIAN EQUITY S&P/TSX INDEX FUND
CIBC POOLED CANADIAN VALUE FUND
CIBC POOLED FIXED INCOME FUND
CIBC POOLED CANADIAN BOND INDEX FUND
CIBC POOLED CANADIAN BOND OVERLAY FUND
CIBC POOLED LONG TERM BOND INDEX FUND
CIBC POOLED CANADIAN BOND INDEX PLUS FUND
CIBC POOLED U.S. EQUITY FUND
CIBC POOLED U.S. EQUITY S&P 500 ENHANCED INDEX FUND
CIBC POOLED U.S. EQUITY S&P 500 INDEX FUND
CIBC POOLED CANADIAN MONEY MARKET FUND
CIBC POOLED INTERNATIONAL EQUITY INDEX FUND
CIBC POOLED EAFE EQUITY FUND
CIBC POOLED BALANCED FUND OF HEDGE FUNDS
CIBC POOLED COMMODITY FUND
CENTAUR CANADIAN EQUITY FUND (VALUE)
CENTAUR CANADIAN EQUITY FUND (GROWTH) - 40%
CENTAUR CANADIAN EQUITY FUND (GROWTH) - 10%
CENTAUR CANADIAN EQUITY FUND (GROWTH) - 80%
CENTAUR CANADIAN EQUITY FUND (GROWTH) - 20%
CENTAUR BOND FUND
CENTAUR US EQUITY FUND (INDEX)
CENTAUR MONEY MARKET FUND
CENTAUR SMALLER COMPANIES FUND
CENTAUR INTL EQUITY FUND
CENTAUR BALANCED FUND (MONEY MKT)
CENTAUR BALANCED FUND (CNEQ VALUE)
CENTAUR BALANCED FUND (FOF: US EQUITY)
CENTAUR BALANCED FUND (BOND)
CENTAUR BALANCED FUND (INEQ)
CENTAUR BALANCED FUND (FOF: SM CAP)

2.1.14 CIBC Asset Management Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from self-dealing provisions in s. 118 of the Act and s. 115 of the Reg. to permit certain funds to conduct inter-fund trades between mutual funds, pooled funds, and managed accounts – Relief also granted to permit pooled funds to purchase securities or related party – Relief also granted to permit pooled funds and managed accounts to purchase debt securities from related party dealers - inter-fund transfers will comply with conditions in s. 6.1(2) of National Instrument 81-107 - Independent Review Committee for Investment Funds (NI 81-107) including Independent Review Committee approval – related party purchases will comply with conditions in s. 6.2 (1) of NI 81-107 – purchases from related party dealers will be approved by Independent Review Committee or subject to client consent – relief also subject to pricing and transparency conditions.

Mutual Reliance Review System for Exemptive Relief Applications - Relief granted from self-dealing provisions in s. 111 of the Act to permit pooled funds to purchase securities of related party – related party purchases subject to conditions including independent oversight and the trade must occur on an exchange or comply with alternative pricing conditions.

Applicable Legislative Provisions

Securities Act (Ontario), ss., 111(2)(a), 111(3), 113, 118(2)(a), 118(2)(b), 121(2)(a)(ii), 147.
Ontario Regulation 1015 General Regulation, s. 115(6).
National Instrument 81-107 – Independent Review Committee for Investment Funds.

July 8, 2008

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

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

AND

IN THE MATTER OF
CIBC ASSET MANAGEMENT INC. AND
CIBC GLOBAL ASSET MANAGEMENT INC.
(the Filers)

AND
IN THE MATTER OF
THE FUNDS REFERENCED IN SCHEDULE A
(each, an Existing NI 81-102 Fund and, collectively, the Existing NI 81-102 Funds)

AND

IN THE MATTER OF
THE FUNDS REFERENCED IN SCHEDULE B
(each, an Existing Pooled Fund and, collectively, the Existing Pooled Funds)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (**Decision Maker**) in each of the Jurisdictions received an application (the **Application**) from the Filers in respect of each Existing NI 81-102 Fund and any future funds (each, a **Future NI 81-102 Fund** and, collectively, the **Future NI 81-102** Funds) managed by a Filer, or an affiliate of a Filer, to which National Instrument 81-102

– Mutual Funds (**NI 81-102**) applies and in respect of each Existing Pooled Fund and any future pooled fund (each, a **Future Pooled Fund** and, collectively, the **Future Pooled Funds**) managed by a Filer, or an affiliate of a Filer, to which NI 81-102 does not apply and in respect of each existing or any future fully managed account managed by a Filer, or an affiliate of a Filer (each, a **Managed Account** and, collectively, the **Managed Accounts**) for relief (the **Requested Relief**) from:

(a) the prohibition (the **Trading Prohibition**) in the securities legislation of the Jurisdictions (the **Legislation**) that prohibits a portfolio manager or a mutual fund (depending on the Jurisdiction) from causing a portfolio to purchase or sell securities of any issuer from or to the account of a responsible person, or any associate of a responsible person or the portfolio manager, (collectively, a **Related Person**), in order to permit the following trades (the **Inter-fund Trades**):

(i) an Existing NI 81-102 Fund or a Future NI 81-102 Fund (each, an **NI 81-102** Fund and, collectively, the **NI 81-102 Funds**) to purchase securities from or sell securities to an Existing Pooled Fund or a Future Pooled Fund (each, a **Pooled Fund** and, collectively, the **Pooled Funds**) or a Managed Account;

(ii) a Pooled Fund to purchase securities from or sell securities to another Pooled Fund, an NI 81-102 Fund or a Managed Account; and

(iii) a Managed Account to purchase securities from or sell securities to a Pooled Fund or an NI 81-102 Fund;

(b) the Trading Prohibition in order to permit a Pooled Fund and a Managed Account to purchase debt securities of an issuer other than the federal or provincial government (**Non-Government Debt Securities**) or debt securities issued or fully and unconditionally guaranteed by the federal or a provincial government (**Government Debt Securities**) from a Related Person that is a principal dealer in the Canadian debt securities markets (a **Principal Dealer**) in the secondary market (the **Principal Dealer Trades**);

(c) the prohibition (the **Investment Counsel Prohibition)** in the Legislation of the Jurisdictions other than British Columbia or Quebec that prohibits a purchase or sale of a security in which an investment counsel, or any associate of an investment counsel, has a direct or indirect beneficial interest from or to any portfolio managed or supervised by the investment counsel in order to permit the Inter-fund Trades and the Principal Dealer Trades; and

(d) the prohibition (the **Related Person Securities Prohibition**) in the Legislation that prohibits a portfolio manager (or a mutual fund depending on the Jurisdiction) from knowingly causing any investment portfolio managed by it to invest in any issuer in which a responsible person or an associate of a responsible person is an officer or director or where his or her own interest might distort his or her judgment (each, a **Related Issuer**) unless the specific fact is disclosed to the client and the written consent of the client to the investment is obtained before the purchase, in order to permit a Pooled Fund to purchase securities of a Related Issuer in the secondary market (the **Related Issuer Trades**).

Under the MRRS:

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

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

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions*, in NI 81-102 and in National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**) have the same meaning in this MRRS Decision Document unless they are otherwise defined in this Decision Document.

Representations

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

1. Each of the NI 81-102 Funds and Pooled Funds (each, a "**Fund**" and, collectively, the "**Funds**") is, or will be, an open-ended mutual fund trust or mutual fund corporation.

2. A Filer, or an affiliate of a Filer, is, or will be, the manager and/or portfolio adviser of each of the Funds.

3. Each of the NI 81-102 Funds is, or will be, a reporting issuer in each of the Jurisdictions.

4. A Pooled Fund or an NI 81-102 Fund may be an associate of a Filer, or of an affiliate of a Filer, that is a responsible person in respect of another Pooled Fund or an NI 81-102 Fund.

5. A Filer, or an affiliate of a Filer, may be a portfolio manager of a Managed Account.

6. A Pooled Fund or an NI 81-102 Fund may be an associate of a Filer, or of an affiliate of a Filer, that is an investment counsel in respect of a portfolio of another Pooled Fund or an NI 81-102 Fund or a Managed Account.

7. A responsible person, or an associate of a responsible person, of a Filer may be an officer or a director of a Related Issuer.

8. A Related Person of a Pooled Fund or a Managed Account may be a Principal Dealer in Non-Government Debt Securities or Government Debt Securities.

9. There is a limited supply of Non-Government Debt Securities and Government Debt Securities available to the Pooled Funds and the Managed Accounts and frequently the only source of Non-Government Debt Securities and Government Debt Securities for a Pooled Fund or a Managed Account is a Related Person.

10. The Pooled Funds previously received relief to purchase securities of a Related Issuer.

11. A Filer, or an affiliate of a Filer, has established, or will establish, an independent review committee ("IRC") in respect of each NI 81-102 Fund in accordance with the requirements of NI 81-107.

12. A Filer, or an affiliate of a Filer, will establish an IRC (which will likely also be the IRC in respect of the NI 81-102 Funds) in respect each Pooled Fund seeking to rely on the Requested Relief.

13. The mandate of the IRC of a Pooled Fund will include: approving purchases and sales of securities between the Pooled Fund and another Pooled Fund, an NI 81-102 Fund, or a Managed Account; approving purchases and sales of Non-Government Debt Securities and Government Debt Securities from or to a Related Person that is a Principal Dealer in the secondary market; and approving purchases by a Pooled Fund of securities of a Related Issuer. The IRC of the Pooled Funds will be composed by a Filer, or an affiliate of a Filer, in accordance with section 3.7 of NI 81-107 and will be expected to comply with the standard of care set out in section 3.9 of NI 81-107. Further, the IRC of the Pooled Funds will not approve purchases and sales between Pooled Funds, between Pooled Funds and NI 81-102 Funds or between Pooled Funds and Managed Accounts, purchases of securities of a Related Issuer or purchases and sales of Non-Government Debt Securities or Government Debt Securities from a Related Person that is a Principal Dealer in the secondary market, unless it has made the determination set out in section 5.2(2) of NI 81-107.

14. Purchases and sales of securities involving NI 81-102 Funds will be referred to the IRC of the NI 81-102 Funds under section 5.2(1) of NI 81-107.

15. The investment management agreement or other documentation in respect of a Managed Account will contain the authorization of the client for the portfolio manager to purchase securities from or sell securities to an NI 81-102 Fund or a Pooled Fund and to purchase and sell Non-Government Debt Securities and Government Debt Securities from a Related Person that is a Principal Dealer in the secondary market.

16. Each of the Filers has determined that it would be in the interests of the NI 81-102 Funds, the Pooled Funds, and the Managed Accounts to receive the Requested Relief.

17. The Filers are unable to rely upon the exemption from the Trading Prohibition and Investment Counsel Prohibition codified under s. 6.1(4) of NI 81-107 in connection with the Inter-Fund Trades with or between the Pooled Funds or the Managed Accounts. Inter-Fund Trades involving only NI 81-102 Funds or other investment funds that are subject to NI 81-107 will be conducted in accordance with the exemption codified under s. 6.1(4) of NI 81-107.

18. The Filers are unable to rely upon the exemption from the Related Person Securities Prohibition under s. 6.2(2) of NI 81-107 in connection with Related Issuer purchases by the Pooled Funds because that exemption does not apply to purchases by the Pooled Funds.

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 is that the Requested Relief is granted in respect of each Fund and Managed Account on the following conditions:

(a) the transaction is consistent with, or is necessary to meet, the investment objective of the NI 81-102 Fund, the Pooled Fund or the Managed Account;

(b) in respect of the Trading Prohibition and the Investment Counsel Prohibition as they apply to an Inter-fund Trade by a NI 81-102 Fund:

(i) the IRC of the NI 81-102 Fund has approved the transaction in respect of the NI 81-102 Fund under Section 5.2(2) of NI 81-107;

(ii) if the transaction is with a Pooled Fund, the IRC of the Pooled Fund has approved the transaction in respect of the Pooled Fund on the same terms as are required under Section 5.2(2) of NI 81-107;

(iii) if the transaction is with a Managed Account, the investment management agreement or other documentation in respect of the Managed Account authorizes the transaction;

(iv) the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107;

(c) in respect of the Trading Prohibition and the Investment Counsel Prohibition as they apply to a Pooled Fund:

(i) the IRC of the Pooled Fund has approved the transaction in respect of the Pooled Fund on the same terms as are required under Section 5.2(2) of NI 81-107;

(ii) if the transaction is an Inter-fund Trade with an NI 81-102 Fund or another Pooled Fund, the IRC of the NI 81-102 Fund or the other Pooled Fund, as the case may be, has approved the transaction in respect of the NI 81-102 Fund or the other Pooled Fund on the same terms as are required under Section 5.2(2) of NI 81-107;

(iii) if the transaction is an Inter-fund Trade with a Managed Account, the investment management agreement or other documentation in respect of the Managed Account authorizes the transaction;

(iv) if the transaction is an Inter-fund Trade with another Pooled Fund, an NI 81-102 Fund, or a Managed Account, the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107;

(v) if the transaction is a Principal Dealer Trade:

(A) the transaction occurs in the secondary market;

(B) the bid and ask price of the security is readily available, as provided in commentary 7 to section 6.1 of NI 81-107;

(C) a purchase is not executed at a price which is higher than the available ask price and a sale is not executed at a price which is lower than the available bid price;

(D) the purchase or sale is subject to applicable “market integrity requirements” as defined in NI 81-107;

(E) the Pooled Fund keeps the written records required by Section 6.1(2)(g) of NI 81-107;

(d) in respect of the Trading Prohibition and the Investment Counsel Prohibition as they apply to a Managed Account:

(i) the investment management agreement or other documentation in respect of the Managed Account authorizes the transaction;

(ii) if the transaction is an Inter-fund Trade with a Pooled Fund or an NI 81-102 Fund, the IRC of the NI 81-102 Fund or the IRC of the Pooled Fund, as the case may be, has approved the transaction in respect of the NI 81-102 Fund or the Pooled Fund on the same terms as are required under section 5.2 of NI 81-107;

(iii) if the Inter-fund Trade is with a Pooled Fund or an NI 81-102 Fund, the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107;

(iv) if the transaction is a Principal Dealer Trade:

(A) the transaction occurs in the secondary market;

(B) the bid and ask price of the security is readily available, as provided in commentary 7 to section 6.1 of NI 81-107;

(C) a purchase is not executed at a price which is higher than the available ask price and a sale is not executed at a price which is lower than the available bid price;

(D) the purchase or sale is subject to applicable "market integrity requirements" as defined in NI 81-107;

(E) the Managed Account keeps the written records required by Section 6.1(2)(g) of NI 81-107;

(e) in respect of the Related Person Securities Prohibition as it applies to a Related Issuer Trade:

(i) the IRC of the Pooled Fund has approved the transaction in respect of the Pooled Fund on the same terms as are required under section 5.2 of NI 81-107;

(ii) if the security is listed and traded the purchase is made on an exchange on which the securities are listed and traded;

(iii) if the security is not listed on an exchange:

(A) the security is a debt security that has been given, and continues to have, at the time of the purchase, an approved credit rating by an approved credit rating organization, within the meaning of those terms in NI 81-102;

(B) the price payable for the security is not more than the ask price of the security;

(C) the ask price of the security is determined as follows:

(1) if the purchase occurs on a marketplace, the price payable is determined in accordance with the requirements of that marketplace; or

(2) if the purchase does not occur on a marketplace,

I. the Pooled Fund may pay the price for the security, at which an independent, arm's length seller is willing to sell the security, or

II. if the Pooled Fund does not purchase the security from an independent, arm's length seller, the Pooled Fund must pay the price quoted publicly by an independent marketplace or obtain, immediately before the purchase, at least one quote from an independent, arm's length purchaser or seller and not pay more than that quote;

(iv) the transaction complies with any applicable market integrity requirements;

(v) a Filer, or an affiliate of a Filer, files with the OSC particulars of any transactions, annually, on or before the 90th day after the financial year end of the Pooled Fund.

(f) the reporting obligation in section 4.5 of NI 81-107 applies to the Requested Relief granted in this Decision and the IRC of the Funds relying on the Requested Relief complies with section 4.5 of NI 81-107 in connection with any instance that it becomes aware that the Filers did not comply with any of the conditions of this Decision.

SCHEDULE A

CIBC ASIA PACIFIC INDEX FUND
CIBC BALANCED FUND
CIBC BALANCED INDEX FUND
CIBC CANADIAN BOND FUND
CIBC CANADIAN BOND INDEX FUND
CIBC CANADIAN EMERGING COMPANIES FUND
CIBC CANADIAN EQUITY FUND
CIBC CANADIAN EQUITY VALUE FUND
CIBC CANADIAN INDEX FUND
CIBC CANADIAN REAL ESTATE FUND
CIBC CANADIAN RESOURCES FUND
CIBC CANADIAN SHORT-TERM BOND INDEX FUND
CIBC CANADIAN SMALL COMPANIES FUND
CIBC CANADIAN T-BILL FUND
CIBC CAPITAL APPRECIATION FUND
CIBC DISCLIPLINED INTERNATIONAL EQUITY FUND
CIBC DISCLIPLINED U.S. EQUITY FUND
CIBC DIVERSIFIED INCOME FUND
CIBC DIVIDEND FUND
CIBC EMERGING ECONOMIES FUND
CIBC EMERGING MARKETS INDEX FUND
CIBC ENERGY FUND
CIBC EUROPEAN EQUITY FUND
CIBC EUROPEAN INDEX FUND
CIBC EUROPEAN INDEX RRSP FUND
CIBC FAR EAST PROSPERITY FUND
CIBC FINANCIAL COMPANIES FUND
CIBC GLOBAL BOND FUND
CIBC GLOBAL BOND INDEX FUND
CIBC GLOBAL EQUITY FUND
CIBC GLOBAL MONTHLY INCOME FUND
CIBC GLOBAL TECHNOLOGY FUND
CIBC HIGH YIELD CASH FUND
CIBC INTERNATIONAL INDEX FUND
CIBC INTERNATIONAL INDEX RRSP FUND
CIBC INTERNATIONAL SMALL COMPANIES FUND
CIBC JAPANESE EQUITY FUND
CIBC JAPANESE INDEX RRSP FUND
CIBC LATIN AMERICAN FUND
CIBC MONEY MARKET FUND
CIBC MONTHLY INCOME FUND
CIBC MORTGAGE AND SHORT-TERM INCOME FUND
CIBC NASDAQ INDEX FUND
CIBC NASDAQ INDEX RRSP FUND
CIBC NORTH AMERICAN DEMOGRAPHICS FUND
CIBC PRECIOUS METALS FUND
CIBC PREMIUM CANADIAN T-BILL FUND
CIBC U.S. DOLLAR MONEY MARKET FUND
CIBC U.S. EQUITY INDEX FUND
CIBC U.S. INDEX RRSP FUND
CIBC U.S. SMALL COMPANIES FUND
FRONTIERS CANADIAN EQUITY POOL
FRONTIERS CANADIAN FIXED INCOME POOL
FRONTIERS CANADIAN MONTHLY INCOME POOL
FRONTIERS CANADIAN SHORT TERM INCOME POOL
FRONTIERS EMERGING MARKETS EQUITY POOL
FRONTIERS GLOBAL BOND POOL
FRONTIERS INTERNATIONAL EQUITY POOL
FRONTIERS U.S. EQUITY POOL
IMPERIAL CANADIAN BOND POOL
IMPERIAL CANADIAN DIVIDEND INCOME POOL

IMPERIAL CANADIAN DIVIDEND POOL
IMPERIAL CANADIAN EQUITY POOL
IMPERIAL CANADIAN INCOME TRUST POOL
IMPERIAL EMERGING ECONOMIES POOL
IMPERIAL INTERNATIONAL BOND POOL
IMPERIAL INTERNATIONAL EQUITY POOL
IMPERIAL MONEY MARKET POOL
IMPERIAL OVERSEAS EQUITY POOL
IMPERIAL REGISTERED INTERNATIONAL EQUITY INDEX POOL
IMPERIAL REGISTERED U.S. EQUITY INDEX POOL
IMPERIAL SHORT-TERM BOND POOL
IMPERIAL U.S. EQUITY POOL
RENAISSANCE CANADIAN BALANCED FUND
RENAISSANCE CANADIAN BALANCED VALUE FUND
RENAISSANCE CANADIAN CORE VALUE FUND
RENAISSANCE CANADIAN DIVIDEND INCOME FUND
RENAISSANCE CANADIAN GROWTH FUND
RENAISSANCE CANADIAN HIGH YIELD BOND FUND
RENAISSANCE CANADIAN MONTHLY INCOME FUND
RENAISSANCE CANADIAN REAL RETURN BOND FUND
RENAISSANCE CANADIAN SMALL-CAP FUND
RENAISSANCE CANADIAN T-BILL FUND
RENAISSANCE EMERGING MARKETS FUND
RENAISSANCE DIVERSIFIED INCOME FUND
RENAISSANCE EUROPEAN FUND
RENAISSANCE GLOBAL GROWTH FUND
RENAISSANCE GLOBAL INFRASTRUCTURE FUND
RENAISSANCE GLOBAL FOCUS FUND
RENAISSANCE GLOBAL TECHNOLOGY FUND
RENAISSANCE INTERNATIONAL INDEX FUND
RENAISSANCE OPTIMAL INCOME PORTFOLIO
RENAISSANCE U.S. EQUITY GROWTH FUND
RENAISSANCE U.S. EQUITY VALUE FUND
RENAISSANCE U.S. INDEX FUND
RENAISSANCE U.S. MONEY MARKET FUND
RENAISSANCE ASIAN FUND
RENAISSANCE CANADIAN BOND FUND
RENAISSANCE CANADIAN ASSET ALLOCATION FUND
RENAISSANCE CHINA PLUS FUND
RENAISSANCE DIVIDEND FUND
RENAISSANCE GLOBAL ASSET ALLOCATION FUND
RENAISSANCE GLOBAL BOND FUND
RENAISSANCE GLOBAL VALUE FUND
RENAISSANCE GLOBAL HEALTH CARE FUND
RENAISSANCE GLOBAL MARKETS FUND
RENAISSANCE GLOBAL MULTI MANAGEMENT FUND
RENAISSANCE GLOBAL RESOURCE FUND
RENAISSANCE GLOBAL SCIENCE & TECHNOLOGY FUND
RENAISSANCE GLOBAL SMALL-CAP FUND
RENAISSANCE CANADIAN INCOME FUND
RENAISSANCE INTERNATIONAL EQUITY FUND
RENAISSANCE MILLENNIUM HIGH INCOME FUND
RENAISSANCE MILLENNIUM NEXT GENERATION FUND
RENAISSANCE MONEY MARKET FUND

SCHEDULE B

CIBC POOLED BALANCED FUND
CIBC POOLED GLOBAL BALANCED FUND
CIBC POOLED CANADIAN EQUITY FUND
CIBC POOLED CANADIAN EQUITY S&P/TSX INDEX FUND
CIBC POOLED CANADIAN VALUE FUND
CIBC POOLED FIXED INCOME FUND
CIBC POOLED CANADIAN BOND INDEX FUND
CIBC POOLED CANADIAN BOND OVERLAY FUND
CIBC POOLED LONG TERM BOND INDEX FUND
CIBC POOLED CANADIAN BOND INDEX PLUS FUND
CIBC POOLED U.S. EQUITY FUND
CIBC POOLED U.S. EQUITY S&P 500 ENHANCED INDEX FUND
CIBC POOLED U.S. EQUITY S&P 500 INDEX FUND
CIBC POOLED CANADIAN MONEY MARKET FUND
CIBC POOLED INTERNATIONAL EQUITY INDEX FUND
CIBC POOLED EAFE EQUITY FUND
CIBC POOLED BALANCED FUND OF HEDGE FUNDS
CIBC POOLED COMMODITY FUND
CENTAUR CANADIAN EQUITY FUND (VALUE)
CENTAUR CANADIAN EQUITY FUND (GROWTH) - 40%
CENTAUR CANADIAN EQUITY FUND (GROWTH) - 10%
CENTAUR CANADIAN EQUITY FUND (GROWTH) - 80%
CENTAUR CANADIAN EQUITY FUND (GROWTH) - 20%
CENTAUR BOND FUND
CENTAUR US EQUITY FUND (INDEX)
CENTAUR MONEY MARKET FUND
CENTAUR SMALLER COMPANIES FUND
CENTAUR INTL EQUITY FUND
CENTAUR BALANCED FUND (MONEY MKT)
CENTAUR BALANCED FUND (CNEQ VALUE)
CENTAUR BALANCED FUND (FOF: US EQUITY)
CENTAUR BALANCED FUND (BOND)
CENTAUR BALANCED FUND (INEQ)
CENTAUR BALANCED FUND (FOF: SM CAP)

2.1.15 Friedberg Global-Macro Hedge Fund et al.

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – a commodity pool subject to National Instrument 81-104 Commodity Pools granted exemptions from National Instrument 81-102 Mutual Funds to engage in short selling of securities up to 40% of net assets, subject to certain conditions and requirements.

Rules Cited

National Instrument 81-102 Mutual Funds , subsections 2.6(a) and (c), 6.1(1) and section 19.1.
National Instrument 81-104 Commodity Pools , section 1.1.

July 10, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO (the Jurisdiction)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
FRIEDBERG GLOBAL-MACRO HEDGE FUND
(the Fund)

AND

TORONTO TRUST MANAGEMENT LTD.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, on behalf of the Fund, for a decision under the securities legislation of the principal regulator (the Legislation):

(a) revoking the MRRS decision dated August 21, 2006 (the Prior Decision) under which the Fund was granted relief from sections 2.6(a), 2.6(c) and 6.1(1) of National Instrument 81-102 *Mutual Funds* (NI 81-102) to permit the Fund to sell short up to 20% of its net assets, provide a security interest over the Fund's assets in connection with short sales and deposit Fund assets with borrowing agents; and

(b) exempting the Fund from sections 2.6(a), 2.6(c) and 6.1(1) of NI 81-102 to permit the Fund to sell short up to 40% of its net assets, provide a security interest over the Fund's assets in connection with short sales and deposit Fund assets with Borrowing Agents (as defined below) as security for such transactions (the Requested Relief).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in each province and territory of Canada, other than Quebec.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

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

1. The Fund is an open-end mutual fund trust established under the laws of Ontario on September 5, 2006.

2. The Fund is a "commodity pool" for purposes of National Instrument 81-104 *Commodity Pools* (NI 81-104) and its units are offered pursuant to a long form prospectus, as required by NI 81-104. The Fund's current prospectus is dated August 27, 2007.

3. The Fund is a multi-strategy fund whose investment objective is to seek significant total investment returns, consisting of a combination of interest income, currency gains and capital appreciation by investing in the following four discrete groups of investments: (i) long positions in fixed income securities; (ii) long and short positions in equity securities; (iii) currency forwards and futures contracts and options thereon (Currency Futures Instruments); and (iv) commodity forwards and futures contracts, options thereon and other over-the-counter traded derivative instruments (Commodity Futures Instruments).

   In order to achieve its investment objective, and subject to obtaining the Requested Relief, the Fund will generally invest:

(a) a minimum of 10% and a maximum of 75% of its assets in long positions in fixed income investments denominated in various currencies and may hedge its currency exposure in respect thereof,

(b) a minimum of 5% and a maximum of 40% (the current cap is 20%) of its assets in "market neutral" long and short positions in equity securities and up to 40% of its assets through trading and investing across global markets in long and/or short positions in equity securities (provided that, taken together, short positions in equity securities will not exceed 40% of the Fund's net assets (the current cap is 20%)),

(c) a minimum of 10% and a maximum of 20% of its assets in Currency Futures Instruments, and

(d) up to 15% of its assets in Commodity Futures Instruments.

4. Although the Fund is a "commodity pool" for purposes of NI 81-104, a significant portion of the assets of the Fund are invested in securities other than Currency Futures Instruments and Commodity Futures Instruments. As such, while Section 2.1 of NI 81-104 provides exemptions from certain investment restrictions in NI 81-102 in respect of Currency Futures Instruments and Commodity Futures Instruments such that the Requested Relief is not required (and the Prior Decision was not required) in respect of the Fund's investments in Currency Futures Instruments and Commodity Futures Instruments, the Filer requests the Requested Relief to permit the Fund to increase its short selling of securities.

5. The investment practices of the Fund comply in all respects with the requirements of Part 2 of NI 81-102 except (i) for the exemptive relief granted under the Prior Decision; and (ii) in respect of investing in Currency Futures Instruments and Commodity Futures Instruments based on the exemptions provided in NI 81-104 as described above and, subject to the Requested Relief being granted, will continue to comply with the foregoing, as modified by the Requested Relief.

6. Each short sale made by the Fund will continue to be subject to compliance with the investment objective of the Fund.

7. In order to effect short sales of securities, the Fund will continue to borrow securities from either its custodian or a dealer (in either case, the Borrowing Agent), which Borrowing Agent may be acting either as principal for its own account or as agent for other lenders of securities.

8. The Fund has implemented the following controls when conducting short sales of securities:

(a) securities are sold short for cash, with the Fund assuming the obligation to return to the Borrowing Agent the securities borrowed to effect the short sale;

(b) the short sales are effected through market facilities through which the securities sold short are normally bought and sold;

(c) the Fund receives cash for securities sold short within normal trading settlement periods for the market in which the short sale is effected;

(d) the securities sold short are liquid securities that:

(i) are listed and posted for trading on a stock exchange, and

A. the issuer of the security has a market capitalization of not less than CDN$300 million, or the equivalent thereof, of such security at the time the short sale is effected; or

B. the investment advisor has pre-arranged to borrow for the purposes of such short sale; or

(ii) are bonds, debentures or other evidences of indebtedness of or guaranteed by the Government of Canada or any province or territory of Canada or the Government of the United States of America;

(e) at the time securities of a particular issuer are sold short:

(i) the aggregate market value of all securities of that issuer sold short by the Fund does not exceed 2% of the net assets of the Fund; and

(ii) the Fund places a "stop-loss" order with a dealer to immediately purchase for the Fund an equal number of the same securities if the trading price of the securities exceeds 120% (or

such lesser percentage as the Filer may determine) of the price at which the securities were sold short;

(f) the Fund deposits Fund assets with the Borrowing Agent as security in connection with the short sale transaction;

(g) the Fund keeps proper books and records of all short sales and Fund assets deposited with Borrowing Agents as security;

(h) the Fund has developed written policies and procedures for the conduct of short sales;

(i) the Fund has disclosed in its prospectus a description of: (i) short selling, (ii) how the Fund engages in short selling, (iii) the risks associated with short selling, and (iv) in the investment strategy section of the prospectus, the Fund's strategy and the exemptive relief related to the Prior Decision, and prior to engaging in short selling in excess of that permitted under the Prior Decision the unitholders of the Fund (the Unitholders) will be notified of the Requested Relief and a press release will be issued;

(j) the Fund has disclosed in its prospectus the following information:

(i) that there are written policies and procedures in place that set out the objectives and goals for short selling and the risk management procedures applicable to short selling;

(ii) who is responsible for setting and reviewing the policies and procedures referred to in the preceding paragraph, how often the policies and procedures are reviewed, and the extent and nature of the involvement of the board of directors or trustee in the risk management process;

(iii) the trading limits and other controls on short selling and who is responsible for authorizing the trading and placing limits or other controls on the trading;

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

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

Decision

The principal regulator is satisfied that the decision meets the test contained in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Prior Decision is revoked and the Requested Relief is granted provided that:

(a) the aggregate market value of all securities sold short by the Fund does not exceed 40% of the net assets of the Fund on a daily marked-to-market basis;

(b) the Fund holds "cash cover" (as defined in NI 81-102) in an amount, including the Fund assets deposited with Borrowing Agents as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all securities sold short by the Fund on a daily marked-to-market basis;

(c) no proceeds from short sales of securities by the Fund are used by the Fund to purchase long positions in securities other than cash cover;

(d) the Fund maintains appropriate internal controls regarding its short sales, including written policies and procedures, risk management controls and proper books and records;

(e) any short sale made by the Fund is subject to compliance with the investment objective of the Fund;

(f) for short sale transactions in Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall be a registered dealer in Canada and a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund;

(g) for short sale transactions outside of Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall:

(i) be a member of a stock exchange and, as a result, be subject to a regulatory audit; and

(ii) have a net worth in excess of the equivalent of CDN$50 million determined from its most recent audited financial statements that have been made public;

(h) except where the Borrowing Agent is the Fund's custodian or a sub-custodian thereof, when the Fund deposits Fund assets with a Borrowing Agent as security in connection with a short sale transaction, the amount of Fund assets deposited with the Borrowing Agent does not, when aggregated with the amount of Fund assets already held by the Borrowing Agent as security for outstanding short sale transactions of the Fund, exceed 10% of the net assets of the Fund, taken at market value as at the time of the deposit;

(i) the security interest provided by the Fund over any of its assets that is required to enable the Fund to effect short sale transactions is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions; and

(j) prior to conducting any short sales in excess of that permitted under the Prior Decision, the Unitholders will be notified of the Requested Relief and a press release will be issued detailing the granting of the Requested Relief.

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

SEDAR Project No.: 1232616

2.2 Orders

2.2.1 Land Banc of Canada Inc. et al. - s. 144

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

AND

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

ORDER
SECTION 144

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

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

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

AND WHEREAS upon submissions from counsel for Staff of the Commission and from counsel for Fresno and Freedman on May 8, 2007 the Temporary Order against Fresno and Freedman was continued until May 10, 2007;

AND WHEREAS, Fresno and Freedman wish to participate in an offering of securities of AmeraCan Energy Holdings Limited Partnership ("AmeraCan") scheduled to close on or about June 29, 2007, (the "AmeraCan Offering");

AND WHEREAS, Fresno and Freedman represent through counsel that AmeraCan is a company unrelated to LBC or Midland;

AND WHEREAS, Fresno and Freedman undertake that they will not be selling units in the AmeraCan Offering directly to the public but through securities dealers registered with the Commission as either an Investment Dealer, a Mutual Fund Dealer or an Investment Counsel/Portfolio Manager;

AND WHEREAS, upon hearing submissions from counsel for Staff of the Commission and from counsel for Fresno and Freedman on May 8, 2007, the Commission is of the opinion that it is in the public interest to make this order;

AND WHEREAS, on May 10, 2007, the Temporary Order against Fresno and Freedman was extended until the date of the Hearing in this matter or until further order of the Commission subject to certain exemptions;

AND WHEREAS, the Temporary Order against LBC, Midland, Dolan and Lorenti was extended from time to time until April 1, 2008;

AND WHEREAS, on April 1, 2008, on the consent of Staff of the Commission and counsel for LBC, Midland, Dolan and Lorenti, the Commission ordered that the Temporary Order against LBC, Midland, Dolan and Lorenti was not to be extended;

AND WHEREAS, counsel for Fresno and Freedman request that the Temporary Order against Fresno and Freedman be removed and that Staff of the Commission consent to this request;

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

IT IS ORDERED THAT the Temporary Order against Fresno and Freedman be removed.

Dated at Toronto this 9th day of July, 2008

"Patrick Lesage"

"Suresh Thakrar"

2.2.2 Darren Delage

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

AND

IN THE MATTER OF
DARREN DELAGE

ORDER

WHEREAS on March 31, 2008, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and Statement of Allegations pursuant to s. 127 of the Ontario *Securities Act*, R.S.O. 1990, c. S. 5, as amended, with respect to Darren Delage (the "Respondent");

AND WHEREAS at the pre-hearing conference held on June 10, 2008, the Commission approved the issuance of a summons to a third party, as requested by the Respondent;

AND WHEREAS at the pre-hearing conference the Respondent's motion for directions was scheduled for July 10, 2008;

AND WHEREAS the summons was made returnable on the date of the Respondent's motion for directions;

AND WHEREAS it was ordered that the Respondent's motion for directions be scheduled for July 10, 2008 at 10:00 a.m.;

AND WHEREAS the Respondent has requested that the date for the motion for directions be rescheduled to a later date;

AND WHEREAS Staff of the Commission and the Respondent consent to an order that the motion for direction be adjourned to September 16, 2008 at 2:30 p.m.;

IT IS ORDERED THAT:

1. The Respondent's motion for directions is scheduled for September 16, 2008 at 2:30 p.m., or such other date as is agreed to by the parties and determined by the Office of the Secretary.

DATED at Toronto this 10th day of July, 2008.

"James E. A. Turner"

2.2.3 Sentry Select Capital Corp. et al.

Headnote

Transfer of assets between non-redeemable investment funds in connection with proposed merger exempted from the self-dealing prohibition in paragraph 118(2)(b) of the Act and subsection 115(6) of the Regulation – Merger subject to unitholder approval – All costs of the Merger to be borne by the Manager.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., paragraph 118(2)(b) and clause 121(2)(a)(ii).
Ontario Regulation 1015 - General Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 115(6)d.

July 8, 2008

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

IN THE MATTER OF
SENTRY SELECT CAPITAL CORP.
(the "Filer")

AND

DIVERSIFIED INCOME TRUST II AND
ALLIANCE SPLIT INCOME TRUST AND
PREMIER VALUE INCOME TRUST
(collectively, the "Funds")

ORDER

Background

The Ontario Securities Commission (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of Ontario (the "**Legislation**") granting relief from:

(a) the restriction in paragraph 118(2)(b) of the *Securities Act* (Ontario) (the "**Act**") which prohibits a portfolio manager from purchasing or selling the securities of any issuer from or to the account of the portfolio manager, and

(b) the restriction in subsection 115(6) of Ontario Regulation 1015, which prohibits a purchase or sale of any security in which an associate of an investment counsel has a direct or indirect beneficial interest from or to any portfolio managed or supervised by the investment counsel,

in connection with a proposed mergers between Diversified Income Trust II ("**DIT II**") and Alliance Split Income Trust ("**Alliance**") (the "**Terminating Funds**") and Premier Value Income Trust (the "**Continuing Fund**") (the "**Requested Relief**").

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 intends to merge the Terminating Funds and the Continuing Fund (the "**Mergers**"), which will involve the transfer of assets of the Terminating Funds in exchange for units of the Continuing Fund (the "**Continuing Fund Units**").

2. At the time that the steps are effected to implement the Mergers, the Filer will be the "portfolio manager", or "investment counsellor" of each of the Funds for purposes of the Legislation.

3. The Filer is registered in Ontario as an adviser under the categories Investment Counsel and Portfolio Manager.

4. As well, the Filer is trustee and manager or administrator of the Funds.

5. Each Fund was established pursuant to a declaration of trust under the laws of the Province of Ontario. Each Fund is a "non-redeemable investment trust" as defined in the Legislation and is not a mutual fund for the purposes of the Legislation.

6. DIT II offered its units in all of the Provinces of Canada pursuant to a final prospectus dated October 30, 2002 and its units are listed on the Toronto Stock Exchange ("**TSX**").

7. Alliance offered its capital units and preferred securities in all of the Provinces of Canada pursuant to a final prospectus dated April 15, 2004 and its capital units and preferred securities are listed on the TSX.

8. The Continuing Fund offered its units in all of the Provinces of Canada pursuant to a final prospectus dated January 27, 2005 and its units are listed on the TSX.

9. Unitholders of each Terminating Fund approved their respective Merger at special meetings of unitholders held on June 18, 2008 (the "**Meetings**"). In connection with the Meetings, the Filer, as manager or administrator of each Terminating

Fund sent to the unitholders of the Terminating Funds a notice of special unitholders meeting and management information circular each dated May 23, 2008 and a related form of proxy (collectively, the "**Meeting Materials**").

10. It is proposed that the Mergers will occur on or about August 1, 2008 (the "**Merger Dates**"), subject to regulatory approvals, where necessary.

11. As required by National Instrument 81-107 – Independent Review Committee, an *Independent Review Committee* ("**IRC**") has been appointed for the Funds, and the Filer presented the terms of the Mergers to the IRC for recommendation. The IRC reviewed the proposed Mergers and re-commended that they be put to unitholders of each Terminating Fund for their consideration on the basis that the Mergers would achieve fair and reasonable result for each of the Funds.

12. Each of the Terminating Funds and the Continuing Fund will jointly elect for the Mergers to be completed on a tax-deferred basis.

13. The Mergers are expected to take place using the following steps:

    (a) DIT II will sell sufficient assets to raise proceeds equal to the aggregate principal amount of the outstanding pre-ferred securities of Alliance plus accrued but unpaid interest (the "**Preferred Security Amount**") and will use the proceeds to redeem at their net asset value ("**NAV**") per unit that number of DIT II units held by Alliance having an aggregate NAV per unit equal to the Preferred Security Amount. Alliance will use the Preferred Security Amount to redeem the outstanding preferred securities.

    (b) Alliance will transfer all of its remaining assets, consisting primarily of units of DIT II, to the Continuing Fund in exchange for units of the Continuing Fund and the assumption by the Continuing Fund of all of the liabilities of Alliance. The units of the Continuing Fund received by Alliance will have an aggregate NAV equal to the NAV of Alliance (after writing off any unamortized issue costs relating to its initial public offering) and will be issued at the NAV per unit of the Continuing Fund in each case as of the close of business on the business day prior to Merger Date.

    (c) immediately thereafter, the units of the Continuing Fund received by Alliance will be distributed to unitholders of Alliance in proportion to the number of units they held in Alliance. Each unitholder will receive units of the Continuing Fund having the same aggregate NAV as their capital units of Alliance as of the close of business on the business day prior to the Merger Date.

    (d) DIT II will transfer all of its assets to the Continuing Fund in exchange for units of the Continuing Fund and the assumption by the Continuing Fund of all of the liabilities of DIT II. The units of the Continuing Fund received by DIT II will have an aggregate NAV equal to the NAV of DIT II and will be issued at the NAV per unit of the Continuing Fund in each case as of the close of business on the business day prior to Merger Date.

    (e) immediately thereafter, the units of the Continuing Fund received by DIT II will be distributed to unitholders of DIT II in proportion to the number of units they held in DIT II. Each unitholder will receive units of the Continuing Fund havingthe same aggregate NAV as their units of DIT II as of the close of business on the business day prior to the Merger Date.

    (f) as a result of the Merger of Alliance with the Continuing Fund, the Continuing Fund will acquire units of DIT II. As a result of the Merger of DIT II with the Continuing Fund, the Continuing Fund will acquire units in itself, which will be cancelled.

    (g) immediately following the completion of the Mergers, the Terminating Funds will be wound up and terminated.

    (h) the Filer will issue a press release forthwith after the Mergers are completed announcing the completion of the Mergers and the ratio by which units of the Terminating Funds were exchanged for units of the Continuing Fund.

14. All costs and expenses associated with the Mergers will be borne by the Filer.

15. The transfer of the investment portfolio of each of Terminating Funds to the Continuing Fund as a step in the Mergers may be considered a sale of securities caused by the "portfolio manager" from the respective Terminating Fund to the account of an associate of the "portfolio manager", contrary to the Legislation.

16. The transfer of the investment portfolio of each of the Terminating Funds to the Continuing Fund as a step in the Mergers may be considered a sale of

securities in which an associate of an investment counsel has a direct or indirect beneficial interest to a portfolio managed or supervised by the investment counsel, contrary to the Legislation.

17. The Funds have similar investment objectives, fee structures and valuation procedures.

18. In the absence of this order, the Filer would be prohibited from purchasing and selling the securities of the Terminating Funds in connection with the Mergers.

Decision

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

Wendell S. Wigle
Commissioner

David L. Knight
Commissioner

2.2.4 National Bank Financial Inc. – s. 74(1)

Subsection 74(1) of the Securities Act (Ontario) – relief from the registration requirements of paragraph 25(1)(a) of the Act granted to salespersons of the Applicant trading on behalf of an Ontario charitable foundation in connection with a charitable gift program, subject to certain terms and conditions.

Applicable Ontario Statutory Provisions

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

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

AND

IN THE MATTER OF
NATIONAL BANK FINANCIAL INC.

ORDER
(Subsection 74(1))

UPON the application (the **Application**) of National Bank Financial Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 74(1) of the Act that the registration requirement contained in paragraph 25(1)(a) of the Act (the **Dealer Registration Requirement**) shall not apply to the salespersons of the Applicant (the **Salespersons**) in respect of trading on behalf of a public foundation (the **Foundation**, as described below) in connection with the Applicant's charitable gift program (the **Charitable Gift Program**, as described below);

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

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

The Applicant

1. The Applicant is a corporation governed by the laws of Quebec and is registered as a dealer in the category of investment dealer in Ontario and in all other provinces and territories in Canada. The Applicant is also a member of the Investment Industry Regulatory Organization of Canada (**IIROC**).

The Salespersons

2. Each Salesperson is employed by the Applicant and is registered in one or more provinces or territories in Canada (excluding Ontario) as a salesperson of the Applicant. Each Salesperson is also approved by IIROC as a registered representative.

The Foundation

3. The Foundation is an independent non-profit charitable organization with registered charitable status as a public foundation under the *Income Tax Act* (Canada) (the **Tax Act**). The head office of the Foundation is in Ontario.

4. The purpose of the Foundation is to support charities and other permitted entities as defined under the Tax Act (**Qualified Donees**) through charitable gifts received from donors. The Foundation specializes in the management and administration of donor-advised charitable gift funds and has entered into an agreement with the Applicant in connection with its Charitable Gift Program.

The Charitable Gift Program

5. Prospective charitable donors to the Foundation will, prior to making a donation, receive a program guide (a **Program Guide**) which will outline the details of the operation of the Charitable Gift Program and its fees.

6. Donors make an irrevocable charitable gift of cash and/or securities to the Foundation (a **Donor**) and receive a tax receipt generally equal to the cash, or fair market value of securities, donated to the Foundation. Securities donated to the Foundation will be liquidated by the Applicant.

7. The Foundation will deposit the proceeds of each Donor's gift into an individual account which it will open with the Applicant (each, an **Account**). Donors may also make subsequent gifts to the Foundation under the Charitable Gift Program from time-to-time.

8. Each Account will be opened in the name of the Foundation in a manner in which the Donor can be identified. The Donor, or his/her successor or designate, will be responsible for providing the Foundation with recommendations regarding the disbursements from the Account to Qualified Donees.

9. In order to comply with the Tax Act, the Charitable Gift Program will require that 95% of each donation be subject to a ten year hold period by the Foundation. During the hold period, each Account will have an annual disbursement percentage determined by the Foundation, which must be disbursed to Qualified Donees each year. After the hold period, if the Donor wishes, the annual disbursement percentage may be increased by the Foundation.

10. Legislation applicable to the Foundation requires that all donated assets be invested in accordance with the "prudent investor" standard. In accordance with this requirement, the Foundation will pre-select a list of mutual funds and portfolio mandates for managed accounts offered by the Applicant under the Charitable Gift Program (the **Eligible Investment Vehicles**). Every Account opened as a result of a donation under the Charitable Gift Program will be restricted to investments in one or more Eligible Investment Vehicles. Each of the Eligible Investment Vehicles is expected to be a well-diversified balanced portfolio. The Donor will be provided an opportunity to express to the Foundation his or her preference (if any) regarding which Eligible Investment Vehicles the Account should be invested in from time to time.

11. In the event that an Eligible Investment Vehicle is a mutual fund, the mutual fund will be qualified by way of a prospectus in accordance with National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* and available for distribution in Ontario and the province or territory in which the Donor resides.

12. The Salesperson that solicits the Donor's gift to the Foundation will initially service the Account set up with the proceeds of that Donor's gift and may also have an ongoing relationship with the Donor. The Salesperson may make a recommendation to the Donor as to the initial choice of Eligible Investment Vehicle and may subsequently recommend changes to the choice of Eligible Investment Vehicle.

13. The Foundation will have final authority over all investment decisions in each Account, except Accounts that are opened as managed accounts. In particular, after receiving the preferences of a Donor, the Foundation will make all final decisions on investments for the Account, and will send trading instructions to the Salesperson servicing that Account.

14. In the case where an Account is a managed account, investment decisions will be made by the Salesperson responsible for the Account, in accordance with the investment objectives of the Account pursuant to the portfolio mandate(s) selected by the Donor as an Eligible Investment Vehicle. The Foundation has the ability to select another Salesperson to manage the managed account. Each Salesperson exercising discretionary authority over an Account that is a managed account will be appropriately qualified to provide portfolio management services.

15. The Applicant will deliver trade confirmations and account statements (the **Account Statements**) to the Foundation with respect to each Account as required under the securities legislation in the jurisdiction where such Account is located. The Applicant will make a copy of any or all Account Statements available to the applicable Donor upon request. Further, regardless of whether a Donor

requests copies of Account Statements, the Foundation will deliver a quarterly donor statement to each Donor.

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

IT IS HEREBY ORDERED, pursuant to subsection 74(1) of the Act, that the Dealer Registration Requirement shall not apply to the Salespersons in respect of registrable activities undertaken on behalf of the Foundation in connection with the Applicant's Charitable Gift Program, provided that:

(i) each Salesperson undertaking registrable activities on behalf of the Foundation is registered in one or more provinces or territories in Canada as a salesperson of the Applicant and is approved by the IIROC as a registered representative;

(ii) each Salesperson exercising discretionary authority over a managed account in connection with the Charitable Gift Program will be appropriately qualified to provide portfolio management services;

(iii) all fees, expenses and commissions related to the Charitable Gift Program will be fully disclosed in the Program Guide, or equivalent document, and the Program Guide, or equivalent document, shall be provided to every Donor by the Applicant or the applicable Salesperson prior to the Donor making a gift to the Foundation;

(iv) the Donor making a gift to the Foundation receives a duplicate copy of any or all Account Statements delivered to the Foundation by the Applicant upon request; and

(v) the Foundation delivers a quarterly donor statement to each Donor.

July 11, 2008

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

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

2.2.5 Timbercreek Mortgage Investment Corporation et al.

Headnote

Order pursuant to subsection 121(2) of the Securities Act (Ontario) that an investment fund may make a one-time purchase of securities of a related issuer – Relief conditional upon the purchase being consistent with the fund's objectives, review and approval of the purchase by the fund's Independent Review Committee and the retention of written records regarding the purchase.

Applicable Legislative Provisions

Ontario Securities Act, R.S.O. 1990, subsections 118(2)(b), and 121(2).

July 4, 2008

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

AND

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

AND

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

AND

IN THE MATTER OF
TIMBERCREEK MORTGAGE INVESTMENT FUND
("TMIF")

AND

IN THE MATTER OF
TIMBERCREEK MORTGAGE LIMITED PARTNERSHIP
("TMLP")

AND

IN THE MATTER OF
TIMBERCREEK MORTGAGE FUND GP INC.
(the "General Partner")

ORDER

Background

The Ontario Securities Commission (the **"Commission"**) has received an application from the Filer for a decision under the Act that subsection 118(2)(b) of the Act, which

prohibits a portfolio manager from causing any investment portfolio managed by it to purchase or sell the securities of any issuer from or to the account of a "responsible person" as defined in the Act, or an associate of a responsible person or the portfolio manager, shall not apply to the Filer in connection with the purchase of a portfolio of mortgage loans owned by TMLP where the purchase is made from or to the account of a responsible person of the Filer for the investment portfolio of the Fund (the **"Requested Relief"**).

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 Fund filed a final prospectus dated June 25, 2008 (the **"Final Prospectus"**) with the securities regulators in each of the provinces and territories of Canada (other than Quebec) as SEDAR project no. 01262136 and was issued a receipt dated June 26, 2008 in respect thereof.

The Filer

2. The Fund is a newly-incorporated company established under the laws of the Province of Ontario. The head and registered office and mailing address of the Fund is located at 25 Price Street, Toronto, Ontario M4W 1Z1.

3. The Fund's investment objective is, with a primary focus on capital preservation, to acquire and maintain a diversified portfolio of mortgage loan investments (**"Mortgage Assets"**) that generates attractive, stable returns in order to permit the Filer to pay monthly distributions to its shareholders.

4. The Fund intends to acquire, following the closing of the public offering (the **"Offering"**) of subscription receipts (the **"Subscription Receipts"**), two portfolios of Mortgage Assets, in order to establish its initial portfolio of Mortgage Assets (the **"Initial Portfolio Acquisitions"**), which will include a portfolio of mortgages owned by TMIF.

5. The Fund plans to achieve its investment objective by investing in a diversified portfolio of Mortgage Assets (the **"Portfolio"**) consisting primarily of mortgage loans for which the principal amount of the loan, at the time of commitment, together with all other equal and prior ranking mortgages, does not exceed 75% of the value of the underlying real property securing the loan that are directly secured by residential (including multi-residential), office, retail and industrial real property across Canada, primarily located in larger urban markets and their surrounding areas, which are typically more liquid and provide less volatile security for mortgage loans.

The Fund Manager (also, the Filer)

6. The Filer was incorporated under the laws of Ontario on May 31, 2004. The head office, registered office and principal business address of the Filer is located at 25 Price Street, Toronto, Ontario M4W 1Z1.

7. The Filer is registered as an advisor under the Act in the categories of investment counsel and portfolio manager.

8. The Filer will act as manager and portfolio advisor of the Fund pursuant to a fund management agreement dated June 25, 2008.

9. The Filer also acts as the portfolio manager of TMIF.

Timbercreek Mortgage Limited Partnership

10. Timbercreek Mortgage Limited Partnership (**"TMLP"**) is a limited partnership formed under the laws of the Province of Ontario. Timbercreek Mortgage Fund GP Inc. (the **"General Partner"**) is the general partner of TMLP. The General Partner is a wholly-owned subsidiary of the Filer and the sole limited partner of TMLP is TMIF. The principal office of TMLP and the General Partner is located at 25 Price Street, Toronto, Ontario M4W 1Z1.

11. TMIF will purchase from the General Partner all of the issued and outstanding general partner units of TMLP and, thereafter, all of the assets and liabilities of TMLP will be distributed to TMIF pursuant to the termination and wind up of TMLP.

Acquisition of TMIF Mortgages

12. The Fund, TMIF and the General Partner, on behalf of TMLP, will enter into an acquisition agreement to be dated on or before the closing of the Initial Portfolio Acquisitions (the **"Seed Portfolio Acquisition Agreement"**). The Seed Portfolio Acquisition Agreement will provide, among other things, for the acquisition by the Fund of (i) mortgage loans from TMIF, and immediately thereafter (ii) all of the issued and outstanding units of TMIF, each in accordance with and subject to the prior approval of the unitholders of TMIF (the **"TMIF Unitholders"**) at a meeting of TMIF Unitholders (the **"TMIF Meeting"**) to consider and approve the transactions contemplated by the Seed Portfolio Acquisition Agreement. The completion of the transactions contemplated by the Seed Portfolio Acquisition Agreement will be conditional upon, among other things, the approval thereof by

special resolution passed by a two-thirds majority of the TMIF Unitholders. A special meeting of the TMIF Unitholders was held for this purpose on July 2, 2008.

13. The purchase price for the mortgage loans held by TMIF (the **"TMIF Mortgages"**) will be set out in the Seed Portfolio Acquisition Agreement and will be equal to the aggregate carrying value of the TMIF Mortgages (which includes the principal outstanding less any unearned income plus any accrued interest).

14. The acquisition of the TMIF Mortgages will be conditional on (i) all TMIF Mortgages purchased by the Fund not being in default (i.e., not in arrears) and (ii) TMIF representing that the fair values of the TMIF Mortgages are at least equal to their carrying values at the time of their purchase by the Fund.

15. The independent review committee (the "IRC") of the Fund, established pursuant to National Instrument 81-107 *Independent Review Committee for Investment Funds*, will become fully operational following the closing of the Offering and will review and approve the acquisition of the TMIF Mortgages by the Fund. The independent members of the board of directors of the Fund will approve the Seed Portfolio Acquisition Agreement. These independent directors are the same individuals who will constitute the IRC. The Final Prospectus disclosure describing the acquisition of the TMIF Mortgages has been unanimously approved by the board of directors of the Fund.

16. A description and summary of the loans comprising the TMIF Mortgages is included in the Final Prospectus.

17. The acquisition of the TMIF Mortgages is intended to provide a strong foundation for the Fund and to enhance the Portfolio in order to enable the Fund to achieve its investment objective. Moreover, the Filer believes that the acquisition of the TMIF Mortgages will be materially beneficial for investors in the Fund and TMIF Unitholders, because it will provide all stakeholders with exposure to a larger, more diversified portfolio of mortgage assets.

18. The acquisition of the TMIF Mortgages by the Fund from TMIF and a description and summary of the loans comprising the TMIF Mortgages are specifically disclosed in the Final Prospectus. By purchasing the Subscription Receipts, the shareholders of the Fund are, in effect, consenting to the acquisition of the TMIF Mortgages by the Fund from TMIF.

19. The Fund will file a copy of the Seed Portfolio Acquisition Agreement as a material contract on SEDAR.

20. As portfolio manager of the Fund, the Filer is a "responsible person" as defined in the Act.

21. The Filer is the portfolio manager of the Fund and of TMIF.

Decision

The Commission is satisfied that the test contained in the Act that provides the Commission with the authority to make the decision has been met.

The decision of the Commission under the Act is that the Requested Relief is granted, provided that:

(a) the purchase or sale is consistent with, or is necessary to meet, the investment objectives of the Fund;

(b) the IRC of the Fund reviews and approves the acquisition of the TMIF Mortgages by the Fund; and

(c) the Fund maintains the following written records of the purchases of the TMIF Mortgages:

(i) a record of each purchase and sale of mortgages;

(ii) the parties to the trade; and

(iii) the terms of the purchase or sale

for five years after the end of the fiscal year in which the trade occurred.

"James E.A. Turner"
Vice-Chair
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

2.2.6 Merax Resource Management Ltd.

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

AND

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

ORDER

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

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

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

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

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

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

AND WHEREAS on May 4, 2007 the Commission ordered the hearing to commence on October 22, 2007;

AND WHEREAS on October 12, 2007, Staff, Mellon and Elin attended a further pre-hearing conference before Commissioner Bates; and following an adjournment request by the Respondent Elin, the Commission adjourned the hearing scheduled for October 22, 2007 to December 12, 2007 to set a new date for a hearing;

AND WHEREAS on December 12, 2007, Staff, Mellon and Elin attended a further pre-hearing conference before Commissioner Bates, and on consent the Commission ordered the hearing to commence on July 14, 2008 at 10:00 a.m., subject to further instructions from the office of the Secretary, and that the pre-hearing conference would be continued on May 13, 2008;

AND WHEREAS on May 13, 2008, Staff, Mellon and Elin attended a further pre-hearing conference before Vice-Chair Turner who was updated on the continuing discussions between the parties including whether the hearing currently scheduled to commence on July 14, 2008 would be a hearing on the merits or a sanctions hearing;

AND WHEREAS Staff, Mellon and Elin agreed that the pre-hearing conference should be continued as soon as reasonably possible, on a date agreed by the parties and fixed by the Office of the Secretary, to address outstanding issues relating to the hearing currently scheduled to commence on July 14, 2008;

AND WHEREAS on May 30, 2008, Staff attended a further pre-hearing conference before Commissioner Bates and filed an Amended Statement of Allegations dated May 30, 2008;

AND WHEREAS Mellon and Elin were advised of this further pre-hearing conference but declined to attend;

AND WHEREAS Staff advised Commissioner Bates that Mellon and Elin had communicated to Staff that they would agree to the facts as set out in the Amended Statement of Allegations, dated May 30, 2008, and therefore the hearing currently scheduled to commence on July 14, 2008 would be a hearing on sanctions only;

AND WHEREAS Staff advised Commissioner Bates that, since Mellon and Elin were admitting to the facts as set out in the Amended Statement of Allegations filed May 30, 2008 and that the hearing scheduled for July 14, 2008 would not be a hearing on the merits, the only witness to be called by Staff at the hearing commencing on July 14, 2008 would be Scott Boyle, the investigator in this matter;

AND WHEREAS on May 30, 2008, the Commission ordered that a hearing on sanctions only shall commence on July 14, 2008 at 10:00 a.m.;

AND WHEREAS on July 14, 2008, Staff, Mellon and Elin appeared before the Commission;

AND WHEREAS Staff, Mellon and Elin did not file, prior to or at the hearing on July 14, 2008, an agreed statement of facts or submissions as to sanctions;

AND WHEREAS the Respondents submitted that they did not receive sufficient notice as to the scope of the hearing scheduled to commence on July 14, 2008, and in particular whether it is a hearing on the merits or a sanctions hearing;

IT IS ORDERED THAT the hearing is adjourned to a date to be agreed to by Staff, Mellon and Elin, and determined by the Office of the Secretary.

DATED at Toronto this 14th day of July, 2008.

"Suresh Thakrar"

"Mary Condon"

"Paulette Kennedy"

2.2.7 Horizons BetaPro S&P 500 Bull Plus ETF et al. – s. 1.1 of OSC Rule 48-501

Headnote

Certain mutual funds designated as exchange-traded funds for the purposes of OSC Rule 48-501.

Rules Cited

Ontario Securities Commission Rule 48-501 - Trading During Distributions, Formal Bids and Share Exchange Transactions, s. 1.1.

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 48-501 – TRADING DURING DISTRIBUTIONS, FORMAL BIDS AND SHARE EXCHANGE TRANSACTIONS (Rule)

AND

IN THE MATTER OF

HORIZONS BETAPRO S&P 500 BULL PLUS ETF,
HORIZONS BETAPRO S&P 500 BEAR PLUS ETF,
HORIZONS BETAPRO NASDAQ 100 BULL PLUS ETF,
HORIZONS BETAPRO NASDAQ 100 BEAR PLUS ETF,
HORIZONS BETAPRO MSCI EMERGING MARKETS BULL PLUS ETF,
HORIZONS BETAPRO MSCI EMERGING MARKETS BEAR PLUS ETF,
HORIZONS BETAPRO US DOLLAR BULL PLUS ETF,
HORIZONS BETAPRO US DOLLAR BEAR PLUS ETF,
HORIZONS BETAPRO US 30-YEAR BOND BULL PLUS ETF,
HORIZONS BETAPRO US 30-YEAR BOND BEAR PLUS ETF,
HORIZONS BETAPRO DJ-AIG AGRICULTURAL GRAINS BULL PLUS ETF,
HORIZONS BETAPRO DJ-AIG AGRICULTURAL GRAINS BEAR PLUS ETF,

AND

CLAYMORE EQUAL WEIGHT BANC & LIFECO ETF
(collectively, the Funds)

DESIGNATION ORDER
SECTION 1.1

WHEREAS each of the Funds is listed on the Toronto Stock Exchange;

AND WHEREAS Investment Industry Regulatory Organization of Canada (IIROC) has designated, or intends to designate, each of the Funds as an Exchange-traded Fund for the purposes of the Universal Market Integrity Rules (UMIR);

AND WHEREAS the definition of "exchange-traded fund" in the Rule is substantially similar to the definition of Exchange-traded Fund in UMIR;

THE DIRECTOR HEREBY DESIGNATES each of the Funds as an exchange-traded fund for the purposes of the Rule.

Dated July 16, 2008

"Brigitte J. Geisler"
Director, Market Regulation

2.2.8 Sinopia Asset Management S.A. – s. 80

The Applicant will act as a sub-adviser to clients of HSBC Global Asset Management (Canada) Limited. Relief granted to permit the Applicant to provide advice and portfolio management services from the adviser registration requirements of subsection 22(1)(b) of the CFA. Relief granted to sub-advisers not ordinarily resident in Ontario in respect of advice regarding trades in commodity futures contracts and commodity futures options traded primarily on commodity futures exchanges outside Canada and cleared primarily through clearing houses outside Canada, subject to certain terms and conditions, for a period of five years. Relief mirrors exemption available in section 7.3 of Ontario Securities Commission Rule 35-502 – Non Resident Advisers.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C. 20, as am., ss. 22(1)(b), 80.

Securities Act, R.S.O. 1990, c. S.5, as am. – Rule 35-502 – Non Resident Advisers, s. 7.3.

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

AND

IN THE MATTER OF
SINOPIA ASSET MANAGEMENT S.A.

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of Sinopia Asset Management S.A. (the **Applicant**) to the Ontario Securities Commission (the **Commission** or **OSC**) for an order pursuant to section 80 of the CFA that the Applicant and its directors, officers and employees acting on its behalf as an adviser be exempt from the adviser registration requirement in subsection 22(1)(b) of the CFA in respect of advice and portfolio management services provided for the benefit of certain clients of HSBC Global Asset Management (Canada) Limited (**AMCA**), formerly HSBC Investments (Canada) Limited, resident in Ontario (the **Clients**) in respect of trades in commodity futures contracts and commodity futures options (collectively, **Contracts**) traded primarily on commodity futures exchanges outside Canada and cleared primarily through clearing houses outside Canada; and

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 organized under the laws of France, with a head

office located in Paris, France. The Applicant does not have an office in Canada and has no directors, officers or employees resident in Canada.

2. The Applicant is registered to provide investment counselling and portfolio management services as an Investment Management Company (Société de Gestion) with the Autorité des Marchés Financiers, which governs the Applicant's securities and commodities futures activities in France. The Applicant is not registered and does not intend to become registered in any capacity under the CFA or under applicable securities legislation in any other Canadian jurisdiction.

3. AMCA is a corporation organized under the *Canada Business Corporations Act*, with a head office located in Vancouver, British Columbia. AMCA is a subsidiary of HSBC Bank Canada, and an affiliate of the Applicant. AMCA is registered under the *Securities Act* (Ontario) (the **OSA**) as an adviser in the categories of investment counsel and portfolio manager and in equivalent categories in all other Canadian provinces, other than Prince Edward Island. AMCA is also registered under the OSA as a dealer in the category of limited market dealer.

4. AMCA acts as an adviser to Clients and, from time to time, advises Clients to invest in futures and options on futures traded on Canadian or other organized exchanges outside of Canada and in other derivative instruments traded over-the-counter. AMCA provides discretionary and other portfolio management and investment advisory services to retail clients, institutional and high net worth private clients. AMCA also acts as the manager of the HSBC Pooled Funds, a family of public mutual funds that are principally sold to investors as part of a discretionary management service offered by AMCA. In respect of commodity futures related advice, AMCA and its directors, officers and employees rely on subsection 31(d) of the CFA, which provides registration relief for persons registered under the OSA whose services as advisers, for purposes of the CFA, are solely incidental to their principal business.

5. AMCA wishes to retain the Applicant as a sub-adviser to provide portfolio management services to Clients. In providing portfolio management services to Clients, the Applicant may advise Clients with respect to Contracts.

6. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA for a person or company acting as an adviser in respect of commodity futures contracts and commodity futures options that is similar to the exemption from the adviser registration requirement in section 25(1)(c) of the OSA for acting as an adviser (as defined in the OSA) in respect of securities that is provided under section 7.3 of Ontario Securities Commission Rule 35-502 – *Non Resident Advisers* (**OSC Rule 35-502**).

7. As would be required under section 7.3 of OSC Rule 35-502:

   (a) the obligations and duties of the Applicant will be set out in a written agreement with AMCA;

   (b) AMCA will contractually agree with Clients on whose behalf the investment advice is or portfolio management services are to be provided by the Applicant, to be responsible for any loss that arises as a result of the Applicant or its directors, officers and employees failing to:

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

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

   (c) AMCA cannot be relieved by Clients from its responsibility for loss as described in paragraph (b) above.

8. AMCA will establish the same relationship with the Applicant when providing

the Applicant's portfolio management services in respect of Contracts, as it establishes with the Applicant pursuant to the requirements of section 7.3 of OSC Rule 35-502.

9. The Clients will receive disclosure that AMCA, as the principal investment adviser, will be responsible to the Clients for the services provided by the Applicant, and to the extent applicable, there may be difficulty in enforcing any legal rights against the Applicant because it is resident outside of Canada and as all or a substantial portion of its assets are situated outside of Canada.

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

IT IS ORDERED pursuant to section 80 of the CFA, that the Applicant and its directors, officers and employees be exempt from the requirements of subsection 22(1)(b) of the CFA in respect of advice and portfolio management services provided for the benefit of AMCA and Clients in respect of Contracts traded primarily on commodity futures exchanges outside Canada and cleared primarily through clearing houses outside Canada, subject to the following terms:

(a) the obligations and duties of the Applicant are set out in a written agreement with AMCA;

(b) AMCA contractually agrees with Clients on whose behalf the portfolio management services of the Applicant, its directors, officers and employees are to be provided, to be responsible for any loss that arises out of the failure of the Applicant, its directors, officers or employees:

(i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of AMCA and each Client for whose benefit the advice is or portfolio management services are to be provided; or

(ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circum-stances'

(c) AMCA cannot be relieved by any Client from its responsibility for loss under paragraph (b) above;

(d) The Applicant is registered as an Investment Management Company (Société de Gestion) with the Autorité des Marchés Financiers in France;

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

(f) The Client will receive disclosure that AMCA, as the principal investment adviser to the Clients, will be responsible to the Client for the services provided by the Applicant, and to the extent applicable, there may be difficulty in enforcing any legal rights against the Applicant because it is resident outside of Canada and as all or a substantial portion of its assets are situated outside of Canada; and

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

July 15, 2008

"Mary Condon"
Commissioner
Ontario Securities Commission

"Carol Perry"
Commissioner
Ontario Securities Commission

2.2.9 Gold-Quest International et al. – s. 127

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

AND

IN THE MATTER OF
GOLD-QUEST INTERNATIONAL,
HEALTH AND HARMONEY,
IAIN BUCHANAN AND LISA BUCHANAN

ORDER
(Section 127 of the Securities Act)

WHEREAS on the 1st day of April, 2008, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading in any securities of Gold-Quest International ("Gold-Quest") shall cease (the "Temporary Order");

AND WHEREAS the Commission further ordered as part of the Temporary Order that pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Act that all trading in any securities by Health and HarMONEY, Iain Buchanan and Lisa Buchanan (the "Ontario Respondents") shall cease;

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

AND WHEREAS the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to Gold-Quest's officers, directors, agents or employees;

AND WHEREAS on April 8, 2008, the Commission issued a Notice of Hearing in this matter (the "Notice of Hearing");

AND WHEREAS Gold-Quest and the Ontario Respondents were served with the Temporary Order, the Notice of Hearing and the Evidence Brief of Staff of the Commission ("Staff") as set out in the Affidavit of Service of Dale Grybauskas dated April 14, 2008;

AND WHEREAS no correspondence was sent to Staff on behalf of Gold-Quest and no one appeared for Gold-Quest on April 14, 2008;

AND WHEREAS upon hearing submissions from counsel for Staff of the Commission and on written consent of counsel for the Ontario Respondents dated April 11, 2008, the Commission extended the Temporary Order until July 14, 2008 or until further order of the Commission, subject to a carve-out to permit Iain Buchanan to trade in securities listed on a recognized public exchange only in his own existing account(s), for his own benefit, and through a dealer registered with the Commission, and a carve-out to permit Lisa Buchanan to trade in securities listed on a recognized public exchange only in her own existing account(s), for her own benefit, and through a dealer registered with the Commission (the "Amended Temporary Order");

AND WHEREAS on May 6, 2008, the U.S. Securities and Exchange Commission (the "SEC") filed an emergency civil enforcement action against Gold-Quest, and U.S. District Court Judge Lloyd D. George issued numerous orders against Gold-Quest and persons related to Gold-Quest, including orders prohibiting the trading in securities of Gold-Quest, freezing assets related to the sale of Gold-Quest securities and appointing a permanent receiver for Gold-Quest;

AND WHEREAS on July 14, 2008, counsel for Staff of the Commission attended before the Commission while counsel for the Ontario Respondents did not attend but provided correspondence with respect to the Temporary Order;

AND WHEREAS on July 14, 2008, no one appeared on behalf of Gold-Quest;

AND WHEREAS on July 14, 2008, upon hearing submissions from counsel for Staff and considering the correspondence from counsel for the Ontario Respondents, we conclude that it is in the public interest to extend the Amended Temporary Order without prejudice to the right of the Ontario Respondents to bring an application before the Commission to challenge the scope of the Amended Temporary Order;

AND WHEREAS counsel for Staff and counsel for the Ontario Respondents agree that the hearing to extend the Amended Temporary Order shall be scheduled for the morning of October 7, 2008;

IT IS ORDERED THAT:

1. The Amended Temporary Order against Gold-Quest and the Ontario Respondents is extended to October 8, 2008 on the terms and conditions set forth in the Amended Temporary Order; and

2. A hearing to extend the Amended Temporary Order shall be held on October 7, 2008 at 10:00 a.m., or such other date as is agreed by the parties and determined by the Office of the Secretary.

DATED at Toronto this 14th day of July, 2008.

"James Turner"

"Suresh Thakrar"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Biovail Corporation et al.

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK,
BRIAN H. CROMBIE, JOHN R. MISZUK and
KENNETH G. HOWLING

DISCLOSURE MOTION
REASONS AND DECISION

Hearing:	June 27, 2008	
Decision:	July 11, 2008	
Panel:	James E.A. Turner	-Vice-Chair and Chair of the Panel
	Kevin J. Kelly	-Commissioner
Counsel:	Johanna Superina Melanie Adams	-For the Ontario Securities Commission
	Joel Wiesenfeld Natalie Biderman	-For Kenneth G. Howling
	Paul Le Vay Aaron Dantowitz	-For Brian H. Crombie
	James Doris Sean Campbell	-For Eugene N. Melnyk
	Wendy Berman	-For John R. Miszuk
	Laura Fric Karen Mintz	-For Biovail Corporation

REASONS AND DECISION

I. BACKGROUND

[1] On March 24, 2008, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and Statement of Allegations of Staff of the Commission ("Staff") in respect of this matter. On April 15, 2008, the Commission issued an order, on consent, ordering that the hearing on the merits will commence on February 2, 2009 and continue until March 13, 2009, or such other dates as may be agreed to by the parties and fixed by the Secretary to the Commission.

[2] The Statement of Allegations relates to six categories of alleged misconduct involving Biovail Corporation ("Biovail"), Eugene N. Melnyk ("Melnyk"), Brian H. Crombie ("Crombie"), John R. Miszuk ("Miszuk") and Kenneth G. Howling ("Howling") (collectively, the "Respondents"). During the relevant period, Melnyk was Chief Executive Officer of Biovail and Chairman of the Biovail Board of Directors, Crombie was Chief Financial Officer, Miszuk was Assistant Secretary, Vice President and Controller, and Howling was Vice President, Finance and head of investor relations.

[3] Paragraph 13 of the Statement of Allegations indicates that the allegations against the Respondents fall into six general categories:

(i) Biovail's failure to account properly for a special purpose entity in its annual financial statements for the year ended December 31, 2001, and interim financial statements for Q3 of 2001, and Q1, Q2 and Q3 of 2002;

(ii) Biovail's failure to disclose in its filings with the Commission the establishment of and its arrangements with the special purpose entity;

(iii) Biovail's improper recognition in its interim financial statements for Q2 of 2003 of revenue relating to a purported sale of Wellbutrin XL tablets;

(iv) Biovail's failure to correct and disclose, on a timely basis, a known material error in its 2003 financial statements;

(v) Biovail's materially misleading or untrue statements in certain press releases in October 2003 and March 2004, in an analyst conference call held on October 3, 2003, and in investor meetings held in October 2003, relating to a truck accident; and

(vi) Biovail's provision of materially misleading information to OSC Staff during a continuous disclosure review conducted in 2003 and 2004.

[4] While Biovail is named with respect to all of Staff's allegations, Crombie is not named in relation to Staff's allegation in clause (iv), Miszuk is named only with respect to the allegations in clauses (iii) and (iv), and Melnyk and Howling are named only with respect to the allegation in clause (v).

[5] On April 22, 2008, Staff made disclosure to the Respondents in electronic form. The disclosure consisted of a computer hard drive containing more than 230 gigabytes of data, comprising more than 600,000 documents that exceeded 4.3 million pages (the "Database"). We are advised that if printed, the documents produced would fill more than 1,700 bankers' boxes.

[6] On May 23, 2008, Howling brought a motion for an order that Staff "make meaningful disclosure in respect of the one allegation made against Howling," including:

(i) an order requiring Staff to disclose to Howling only those documents that are relevant to the one allegation made against him in this proceeding; or

(ii) alternatively, an order requiring Staff to identify in the documents it has disclosed in this proceeding those that are relevant to the one allegation made against Howling.

[7] Howling also requested an order that Staff produce its disclosure data in a format that corrects certain technical problems in searching the Database.

[8] The other Respondents joined in Howling's motion.

[9] On June 10, 2008, Staff provided the Respondents with a CD that purportedly corrects many of the technical problems with the searchability of the Database.

[10] The parties filed written motion materials, and we heard the parties' oral submissions at the motion hearing held on June 27, 2008.

II. THE POSITIONS OF THE PARTIES

A. Howling's Submissions

[11] Howling submits that Staff's disclosure obligation is set out in Rule 3.3(2) of the *Ontario Securities Commission Rules of Practice*, (1997) O.S.C.B. 1947 ("*Rules of Practice*"), which states:

> In the case of a hearing under section 127 of the *Securities Act* . . ., staff of the Commission shall, as soon as is reasonably practicable after service of the notice of hearing, and in any case at least 10 days before the commencement of the hearing, make available for inspection by every other party all other documents and things which are in the possession or control of staff that are relevant to the hearing and provide copies, or permit the inspecting party to make copies, of the documents at the inspecting party's expense.

Rules of Practice, Rule 3.3(2).

[12] Howling states that he was reassigned from his position at Biovail following the commencement of this proceeding and that this proceeding and its outcome have significant consequences for him personally and professionally. He submits that given the risk of harm to his reputation, section 8 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S. 22, ("*SPPA*") applies. That section states:

> Where the good character, propriety of conduct or competence of a party is an issue in a proceeding, the party is entitled to be furnished prior to the hearing with reasonable information of any allegations with respect thereto.
>
> *SPPA*, s. 8.

[13] Rule 3.4 of the *Rules of Practice* imposes more onerous disclosure obligations where section 8 of the *SPPA* applies:

> . . . if the good character, propriety of conduct or competence of a party is an issue in a proceeding, the party making the allegations shall, as soon as is reasonably practicable after service of the notice of hearing, and in any case at least 10 days before the commencement of the hearing, provide particulars of the allegations and disclose to the party against whom the allegations are made all documents and things in the party's possession or control relevant to the allegations including [witness statements and experts' reports].
>
> *Rules of Practice*, Rule 3.4.

[14] Howling's main submission is that Staff has failed to make meaningful disclosure of relevant documents and material in accordance with the standard established for criminal proceedings in *R. v. Stinchcombe*, [1991] 3 S.C.R. 326 (S.C.C.) ("*Stinchcombe*").

[15] The parties agree that Staff has a broad duty of disclosure akin to the Stinchcombe standard. The Stinchcombe standard requires the Crown to disclose all relevant information, whether inculpatory or exculpatory, subject to the discretion of the Crown, which discretion is reviewable by the court. While the Crown must err on the side of inclusion, clearly irrelevant documents should be excluded, and the initial obligation to separate "the wheat from the chaff" rests with the Crown. Documents should not be withheld if there is a reasonable possibility that doing so would impair the right of the accused to make full answer and defence.

> *Stinchcombe*, paras. 20 and 29.
>
> *Deloitte & Touche LLP v. Ontario (Securities Commission)*, [2003] 2 S.C.R. 713 (S.C.C.), para. 26, aff'g [2002] O.J. No. 2350 (Ont. C.A.) ("*Deloitte CA*"), para. 39-44.
>
> *Re Market Regulation Services Inc.* (2008), 31 O.S.C.B. 5441, paras. 66-68.

[16] Howling submits that Staff has failed to make meaningful disclosure to him such that he may exercise his right to make full answer and defence. He submits that Staff has simply made bulk disclosure of the enormous number of documents it obtained from Biovail and from the U.S. Securities and Exchange Commission (the "SEC") based on "wide sweeps" during a long investigation, and without sifting the material for relevance. He submits further that Staff made a unilateral strategic decision to join unrelated allegations against a number of respondents in a single proceeding. He submits that by disclosing to him the same immense volume of documents disclosed to all the Respondents in this proceeding, Staff has foisted on him its obligation to identify and disclose the documents that are relevant to the allegations against him.

[17] According to Howling, Staff's disclosure is deficient in that:

i. it contains documents that are irrelevant to the single allegation against him, which he submits is factually independent of the other allegations and is not the focal point of the proceeding, and the documents are not organized in any way that assists in identifying relevant documents;

ii. it contains at least some documents that are irrelevant to any of the issues in this proceeding;

iii. the volume of the disclosure makes it impossible for him to review each document in time for the hearing on the merits in February 2009, but adjourning that hearing would be severely prejudicial to him; and

iv. some of the documents are not electronically searchable because of technical deficiencies.

[18] Further, Howling submits that Staff's disclosure obligation requires it to conduct a level of manual review of the documents because only a human being is capable of deciding whether a given document has a reasonable likelihood of being relevant to his case.

[19] Howling requests an order that Staff complete proper disclosure by the end of July.

B. Submissions of the Other Respondents

[20] Crombie, Miszuk and Melnyk adopt Howling's submissions as they relate to their own circumstances.

[21] Biovail also adopts Howling's submissions. Biovail submits that Staff appears to have disclosed to it the entire volume of documents that Biovail disclosed to the SEC, many thousands of which are irrelevant to any issue in dispute in this proceeding. Further, Biovail submits that Staff's disclosure obligation does not shift depending on the source of the documents, or the experience, expertise or knowledge of the respondent.

C. Staff's Submissions

[22] Staff submits that it has already complied with its disclosure obligation to the Respondents by disclosing, through the Database, all relevant documents, whether inculpatory or exculpatory, whether or not Staff intends to rely on them.

[23] Staff submits that the order requested by the Respondents would require Staff to manually review every document in the Database to determine its potential relevance to every issue in this proceeding. This process, in Staff's submission, would be extremely labour intensive and would require Staff to make a subjective assessment of the relevance of each document in the Database. Staff notes that it is not privy to the position the Respondents will take in this matter or other information the Respondents may possess. The process would likely necessitate an adjournment of the hearing on the merits scheduled for February 2009.

[24] Staff submits that the Respondents have confused disclosure with particulars. Staff submits that there is no authority requiring it to fulfill its disclosure obligations by classifying documents according to the issues raised in a proceeding. Further, Staff does not agree with the Respondents' submission that Staff's allegations are severable in this case. According to Staff, the allegations address the overall integrity of Biovail's financial statements and financial disclosure from 2001 to 2003. Staff notes that paragraph 7 of the Statement of Allegations states that the conduct at issue relates to Biovail's annual financial statements for the fiscal year that ended on December 31, 2001, Biovail's interim financial statements for Q3 of 2001, Q1, Q2 and Q3 of 2002, and Q1, Q2 and Q3 of 2003, and Biovail's financial disclosure during that time.

[25] With respect to the technical issues related to the searchability of the Database, Staff submits that it has resolved, in a timely manner, all the technical issues it can resolve. Staff submits that the documents in the Database are reasonably accessible to the Respondents and their counsel, all of whom are familiar with litigation support databases and the search methods that can be employed.

[26] Further, Staff states that over 500,000 of the 600,000 documents in the Database were provided by Biovail in response to requests from the Commission or the SEC. All of the individual Respondents were officers or directors of Biovail during the relevant time, and Howling and Miszuk are currently employed by Biovail. Further, in the fall of 2007, Biovail provided the individual Respondents with a subset of the documents it had produced to the Commission.

[27] Staff states that it is currently preparing its hearing briefs, which will be provided to the Respondents as soon as they are available and in advance of the 10 days required by Rule 3.3 of the *Rules of Practice*. The hearing briefs will contain all the documents on which Staff intends to rely at the hearing, and the documents will be sorted by issue. Staff submits there is no need for the Commission to fix a date for the delivery of hearing briefs.

[28] Finally, Staff states that it will comply with its continuing disclosure obligation to the Respondents.

[29] Staff asks us to dismiss the motion.

III. ANALYSIS

A. Introduction

[30] This motion requires a consideration of the nature of Staff's obligation to make disclosure of relevant documents to the Respondents. This question is an important one and could affect the date for the hearing on the merits.

[31] We should say at the outset that it is difficult for us to make judgements about the disclosure of documents when, necessarily, we have very limited knowledge of the nature of those documents. We intend through this decision to apply the applicable legal principles in a way that is fair to the Respondents but that does not put Staff in an untenable position.

B. The Obligation to Disclose

[32] As a matter of law, Staff has an obligation to disclose to the Respondents all documents that are relevant to this proceeding, whether inculpatory or exculpatory, in accordance with principles akin to those articulated in *Stinchcombe*. There is no dispute between Staff and the Respondents with respect to that conclusion. The obligation to disclose is a matter of fundamental justice based on fairness to respondents to permit them to make full answer and defence to the allegations against them. In furtherance of that obligation, Staff has provided the Database to the Respondents. As noted above, the Database contains a massive amount of material.

[33] Staff has been assisting the Respondents in facilitating the effective search of the Database by them. Staff has indicated that they have resolved, in a timely manner, all technical issues raised by the Respondents with respect to searching the Database that Staff is able to resolve without recoding the documents in the Database. Providing that assistance to the Respondents is obviously an appropriate way for Staff to have proceeded.

[34] We believe, based on the submissions made to us, that the documents contained in the Database are reasonably accessible to the Respondents. We note that the Respondents are not objecting in principle to electronic disclosure effected by means of the delivery of a database.

[35] There is no evidence before us, however, that staff has made a reasonable attempt to determine which documents in the Database are relevant to the specific allegations made against the Respondents in this matter. The Database contains a huge number of documents provided to staff (directly or indirectly through the SEC) in connection with an investigation that took more than four years. We understand that investigation included issues that were much broader in scope than the specific allegations that were ultimately made against the Respondents in this proceeding. We also note that, unlike the circumstances in *Deloitte*, the Respondents have identified at least some documents in the Database that are clearly not relevant to this proceeding.

C. The Allegations

[36] We note that each of Staff's allegations against the Respondents is focused on specific circumstances. For instance, Staff is not alleging that the Biovail financial statements for the fiscal year 2001 and the relevant interim periods in 2001 and 2002 were generally misleading but that those financial statements failed to properly reflect or account for one special purpose entity. Similarly, it is alleged that misleading statements were made in October 2003 and 2004 specifically with respect to a truck accident. As noted above, not all of the allegations are made against each of the Respondents.

D. Delivery of the Database

[37] In our view, Staff has not satisfied its legal obligation to disclose relevant documents to the Respondents by delivering the Database. The question is not who supplied the documents contained in the Database or whether the Respondents can effectively search or access the Database. The question is whether Staff has made meaningful disclosure of all relevant documents.

[38] Staff appears to have conducted a very wide ranging investigation of the Respondents, has assembled and reviewed a massive volume of material and, as a result of its investigation, has made six relatively specific allegations against the Respondents. Staff has an obligation to disclose to the Respondents the documents that Staff considers relevant as a result of those efforts. The Respondents should not have to search a massive database and guess which documents Staff considers relevant. Staff has an obligation, in the first instance, to separate the "wheat from the chaff."

[39] We agree that Staff should apply a low or generous threshold of relevance in deciding what to disclose to the Respondents. Staff does not know what position the Respondents and their counsel may take in response to the allegations. However, in our view, Staff must apply some judgement in determining which documents in the Database are relevant to the allegations against each of the Respondents. As Howling's counsel submitted at the motion hearing, a low threshold is nonetheless a threshold.

E. The Meaning of "Relevance"

[40] With respect to determining relevance, we adopt the following statement from the Court of Appeal decision in *Deloitte*:

> Relevant material in the *Stinchcombe, supra*, sense includes material in the possession or control of Staff and intended for use by Staff in making its case against the [Philip] respondents. Relevant material also includes material in Staff's

> possession which has a reasonable possibility of being relevant to the ability of the [Philip] respondents to make full answer and defence to the Staff allegations. This latter category includes material that the [Philip] respondents could use to rebut the case presented by Staff; material they could use to advance a defence; and material that may assist them in making tactical decisions.
>
> *Deloitte CA*, para. 44.

[41] The case law also indicates that relevance is determined where the allegations made intersect with the contents of the particular document in the possession of Staff. That is another way of saying that one can only determine the relevance of a document by considering it in the context of the allegations being made. While it is not for us to decide on this motion what documents in the Database may be relevant, it seems to us unlikely that the vast majority of those documents can be relevant to the specific allegations made against the Respondents. At the end of the day, Staff must exercise reasonable judgement in assessing the relevance of the documents in the Database to the allegations against the Respondents. We are not satisfied that Staff has done so.

F. Attribution of Documents to Allegations

[42] Generally, in providing disclosure of documents, Staff does not have to attribute or reference documents to specific allegations. In this case, however, not all of the allegations are made against all of the Respondents. Accordingly, Staff should make disclosure of documents that are relevant to the allegation or group of allegations made against each Respondent (but without necessarily referencing the documents to specific allegations where more than one allegation is made against a Respondent). For instance, Howling and Melnyk are entitled to disclosure of documents that are relevant to the one allegation made against them. Staff decided in its discretion to proceed against all of the Respondents in this one proceeding. That decision should not have the effect of prejudicing any Respondent by forcing him to search a vast volume of material for the specific documents that may be relevant to the one or two allegations made against him.

G. No Need for Review of Every Document

[43] Howling submits that a manual review of the documents in the Database is required in order to determine the relevance of the documents to be disclosed by Staff. In this respect, he relies on *Air Canada et al. v. WestJet Airlines Ltd. et al.*, (2006), 81 O.R. (3d) 48 ("*Air Canada*"), a decision of the Ontario Superior Court of Justice. In that case, which involved corporate espionage, both parties had disclosed thousands of documents, including disclosure previously ordered by the Court. Air Canada had conducted electronic and some level of manual review of potentially relevant documents, but then moved for an order that it could make electronic disclosure without any further manual review of another 75,000 documents for relevance, privilege or confidentiality. Justice Nordheimer dismissed the motion. He agreed with counsel for WestJet that electronic searches alone cannot determine whether a document is relevant or privileged. He also stated that he was "unmoved by Air Canada's complaint that a manual review of the documents will be time consuming and expensive. Air Canada instigated this proceeding and chose to cast its claim in a certain manner that made the documents that Air Canada must now produce, relevant."

> *Air Canada*, pp. 52-53.

[44] However, Justice Nordheimer did not order Air Canada to conduct a manual review of every document. Having dismissed Air Canada's objections to any further manual review, he stated:

> Having said that, it does not follow from my conclusions that each and every page of each and every document was [to] be manually reviewed. Presumably different categories of documents will require different levels of review. It is up to Air Canada and its counsel to determine to what extent a detailed review of the electronic documents must be conducted. They must do so, however, cognizant of the obligations under the Rules of Civil Procedure regarding the production of documents . . . .
>
> *Air Canada*, p. 54.

[45] Staff's position is that civil cases such as *Air Canada* are not relevant to this proceeding. We accept that the Rules of Civil Procedure do not apply to Commission proceedings. However, we take note of the Court's approach to disclosure in *Air Canada*.

[46] In *Deloitte*, the Court of Appeal concluded that Staff's bulk disclosure of compelled material was reasonable because the nature of the allegations against the respondents in that case put into issue their entire relationship with Deloitte. Speaking for the Court, Doherty J.A. stated: "No doubt, in many circumstances, the relevance of a document cannot be determined without examining the document itself." However, in those circumstances, the Court saw "considerable merit in the concerns expressed by the Commission over attempts to judge relevance on a document-by-document basis."

Deloitte CA, para. 49.

[47] We are not suggesting that Staff has to look at every document in the Database in a manual review to determine whether it is relevant to the allegations. In our view, it would be reasonable for Staff to begin by identifying all those documents that it knows from its investigation are relevant to the Respondents in this proceeding. Staff must already have identified most of those documents in determining what allegations to bring against the Respondents. In addition, Staff should make relevant searches of the Database (in the same manner that Staff says the Respondents are able to do) and assess which documents or categories of documents identified in this manner may be relevant to the Respondents. We recognize that this may be an imperfect process that may not identify every relevant document. Both Staff and the Respondents are at risk that some relevant document could be missed. We believe, however, that this process is fair and reasonable and that it can be completed within the time frames set forth in our order.

[48] We would also add that, except as noted above under "Attribution of Documents to Allegations", Staff does not have to particularize the documents or evidence it identifies as relevant to particular allegations. We recognize the distinction between providing particulars and providing disclosure. We are dealing only with the latter in these reasons.

[49] We would add that it is completely appropriate for Staff to have made the entire Database available to the Respondents. That gives the Respondents the opportunity to conduct their own Database searches and to apply their own standard of relevance to the documents in the Database. We are simply saying that, in our view, providing the Database to the Respondents did not satisfy Staff's legal obligation to make meaningful disclosure to the Respondents of all relevant documents. It is not satisfactory disclosure when the relevant documents are submerged in an ocean of other possibly irrelevant documents and materials.

IV. CONCLUSION

[50] In the circumstances, we make the following order:

1. Staff shall make reasonable efforts to prepare and deliver to the Respondents, as soon as reasonably possible but in any event on or prior to August 31, 2008, its hearing briefs containing the documents and materials Staff proposes to tender in evidence at the hearing on the merits of this matter.

2. Staff shall make reasonable efforts to disclose to the Respondents, as soon as reasonably possible but in any event on or prior to September 30, 2008, all of the documents that Staff believes are relevant to the specific allegations made against the Respondents. We expect that Staff would do that by providing an updated database that deletes any documents or categories of documents that Staff concludes are not relevant. In making that disclosure, Staff shall apply in good faith the principles we have articulated above.

[51] If Staff or the Respondents believe that further direction is needed with respect to this order, they are free to make further application to us.

DATED at Toronto this 11th day of July, 2008.

"James E.A. Turner"

"Kevin J. Kelly"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Onco Petroleum Inc.	03 July 08	15 July 08	15 July 08	
Rain Resources Inc.	11 July 08	23 July 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

* There were no Management Cease Trading Orders for this week.

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
Argus Corporation Limited	25 May 04	03 June 04	03 Jun 04		
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
Fareport Capital Inc.	13 July 07	26 Jul7 07	26 July 07		
Hip Interactive Corp.	04 July 05	15 July 05	15 July 05		
SunOpta Inc.	20 Feb 08	04 Mar 08	04 Mar 08		
Warwick Communications Inc.	02 May 08	15 May 08	15 May 08		
Onepak, Inc.	05 May 08	16 May 08	16 May 08		
iSCOPE Inc.	06 June 08	19 June 08	19 June 08		

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Chapter 6

Request for Comments

6.1.1 Notice and Request for Comment - Proposed National Policy 11-204 *Process for Registration in Multiple Jurisdictions* - Proposed Amendments to Multilateral Instrument 11-102 *Passport System*, Companion Policy 11-102CP *Passport System*, National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*, and National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* and Other Related Amendments

NOTICE AND REQUEST FOR COMMENT

PROPOSED NATIONAL POLICY 11-204 *PROCESS FOR REGISTRATION IN MULTIPLE JURISDICTIONS*

PROPOSED AMENDMENTS TO
MULTILATERAL INSTRUMENT 11-102 *PASSPORT SYSTEM*,
COMPANION POLICY 11-102CP *PASSPORT SYSTEM*,
NATIONAL POLICY 11-202 *PROCESS FOR PROSPECTUS REVIEWS IN MULTIPLE JURISDICTIONS*, AND
NATIONAL POLICY 11-203 *PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS*

AND

OTHER RELATED AMENDMENTS

July 18, 2008

This notice describes the proposals of the Canadian Securities Administrators (the CSA) to streamline the process for registration in multiple jurisdictions. The proposals include rule and policy amendments by the CSA, other than the Ontario Securities Commission (OSC), (the passport regulators) to make the passport system available for registration. The proposals also include a new national policy for adoption by all members of CSA, including the OSC, setting out the processes for registration in multiple jurisdictions. These proposed rule and policy amendments would further simplify the securities regulatory system for registrants who deal with clients in more than one Canadian jurisdiction.

The proposals also include rule and policy amendments to deal with issues that have arisen since the implementation of the phase II of passport for issuers. The phase II of passport for issuers covers continuous disclosure, prospectuses and discretionary exemption applications.

Passport system — overview

In September 2005, the passport regulators implemented Multilateral Instrument 11-101 *Principal Regulator System* (MI 11-101) as phase I of passport. On March 17, 2008, the passport regulators implemented Multilateral Instrument 11-102 *Passport System* (MI 11-102) as phase II of passport for issuers and repealed the provisions of MI 11-101 related to issuers. We propose implementing phase II of passport for registration, and updates to phase II of passport for issuers, in the first half of 2009.

The OSC is not adopting the proposed amendments to MI 11-102 and to Companion Policy 11-102CP *Passport System* (CP 11-102) to implement the passport for registrants. As with the passport for issuers, CSA developed proposed interfaces to make the securities regulatory system as efficient and effective as possible in the circumstances for all registrants who want to deal with clients in both passport jurisdictions and Ontario. The OSC has participated in developing the proposed interfaces between the passport jurisdictions and Ontario.

Passport for registration, together with the related Ontario interfaces, would replace the National Registration System (NRS). We describe the elements of the passport and interface system for registration more fully below.

A key foundation for the passport system is a set of nationally harmonized regulatory requirements consistently interpreted and applied throughout Canada. Implementation of passport for registration depends on the adoption of proposed National Instrument 31-103 *Registration Requirements* (NI 31-103). CSA members expect to implement consequential amendments to national and local rules, and some of our governments to proclaim act amendments to harmonize registration requirements, when we adopt NI 31-103.

The governments of the Northwest Territories and Nunavut have enacted a new *Securities Act*, which the regulators in those jurisdictions expect will be in force when CSA members adopt NI 31-103.

CSA expects to make consequential amendments to National Instrument 31-102 *National Registration Database* (NI 31-102) and National Instrument 33-109 *Registration Information* (NI 33-109), its companion policy and forms and to make minor changes to proposed NI 31-103 and its companion policy. CSA members are not publishing these amendments for comment because they are not material, but we describe them generally later in this notice.

Passport system – rule and policy changes for registration

The passport regulators are publishing the proposed rule and policy changes to implement passport for registration. The major elements of the passport system for registration are set out in:

- amendments to MI 11-102, and
- amendments to CP 11-102.

We developed the amendments to appendices to MI 11-102 based on the securities act and rule provisions we expect to be in force when we implement passport for registration.

All CSA members, including the OSC, are publishing proposed National Policy 11-204 *Process for Registration in Multiple Jurisdictions* (NP 11-204) and proposed consequential amendments to National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions* (NP 11-203).

Passport for registration contained in the proposed amendments to MI 11-102 and related documents and proposed NP 11-204 would replace NRS, which is the current process registrants use to obtain decisions in multiple jurisdictions. Consequently, CSA, including the OSC, also proposes to repeal the following:

- National Instrument 31-101 *National Registration System* (NI 31-101),
- Form 31-101F1 *Election to use NRS and Determination of Principal Regulator* (Form 31-101F1),
- Form 31-101F2 *Notice of Change* (Form 31-101F2), and
- National Policy 31-201 *National Registration System* (NP 31-201)

(collectively, the proposed repeals).

Purpose and scope of passport for registration

The purpose of passport for registration is to implement a system that gives a registrant access to clients in multiple jurisdictions by dealing only with the registrant's principal regulator and meeting the requirements of one set of harmonized laws. A registrant's principal regulator will usually be the regulator in the jurisdiction where the registrant's head office or working office is located.

Local amendments

CSA members in some jurisdictions plan to make consequential amendments to local securities rules and policies.

Amendments to passport for issuers

We propose to update the passport for issuers to address a few issues that have arisen since implementation. The passport regulators propose to amend MI 11-102 and CP 11-102, and CSA proposes to amend National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* (NP 11-202) and NP 11-203.

Publication and request for comments

The text of proposed new NP 11-204, the proposed amendments to NP 11-202 and NP 11-203 and, except in Ontario, the proposed amendments to MI 11-102 and CP 11-102 accompany this notice, as follows:

- amendments to MI 11-102 (Schedule A)
- amendments to Appendix D of MI 11-102 (in the form of a blackline) (Schedule B)

- amendments to CP 11-102 (in the form of a blackline) (Schedule C)
- NP 11-204 (Schedule D)
- amendments to NP 11-202 (Schedule E)
- amendments to NP 11-203 (in the form of a blackline) (Schedule F)

CSA expects to implement proposed NP 11-204, the proposed amendments to NP 11-202 and NP 11-203, and the proposed repeals when we implement NI 31-103, which we currently target for the first half of 2009. The passport regulators expect to implement the proposed amendments to MI 11-102 and CP 11-102 at the same time.

Background

In 2005, the passport regulators implemented phase I of the passport system using the statutory powers that were available at the time. In March 2008, we implemented phase II of the passport for issuers using recently acquired statutory powers. We are also using these powers to implement the passport for registration.

On March 28, 2007, the passport regulators published a proposed passport system for registration. We received 17 submissions on that publication which also included the passport for issuers. The passport regulators responded to all comments received, except those specifically related to registration, in a notice published on January 25, 2008. We attach a summary of the registration comments, including our response, as Schedule G.

Under the Memorandum of Understanding Regarding Securities Regulation of September 2004 entered into by the Ministers responsible for securities regulation in the passport jurisdictions (MOU), governments undertook to review the fee structures of participating jurisdictions to assess how they might want to change them so they are consistent with the objectives of passport.

The Council of Ministers created under the MOU asked CSA to review the fee structures of its members and propose changes to Ministers. CSA is conducting the review and will report to Ministers. Meanwhile, under passport, existing fees continue to apply to market participants in all jurisdictions, except for fees for exemption applications, which apply only in the principal jurisdiction.

Summary of proposals

Passport for registration

Phase I of passport for registration consisted of NRS and the mobility exemption in MI 11-101. NRS provides a registered firm or individual with an exemption from the fit and proper requirements that would otherwise apply when the firm or individual seeks registration in a non-principal jurisdiction, an exemption from fit and proper filing and notice requirements, and a mutual reliance process for obtaining registration in a non-principal jurisdiction by dealing only with the principal regulator.

CSA published a revised mobility exemption on February 29, 2008 as part of the second publication for comment of proposed NI 31-103 and proposed repealing MI 11-101 (because it only contains the current mobility exemption, which will be replaced with the new exemption in NI 31-103).

CSA does not propose to keep the NRS exemption from the fit and proper requirements that would otherwise apply when a firm or individual seeks registration in a non-principal jurisdiction. This exemption is no longer necessary because the requirements will be harmonized under NI 31-103. Furthermore, CSA proposes to replace the NRS exemption from the notice and filing requirements with a permission in the companion policy to NI 31-103 for a firm to submit fit and proper notices and filings to its principal regulator only.

In addition, the passport regulators propose to simplify obtaining registration and complying with requirements in multiple jurisdictions as follows.

(i) Automatic registration and other regulatory action

We propose to replace NRS with a new system under Part 6 of MI 11-102. Under sections 6.3 and 6.4 of MI 11-102, a firm or individual that is registered in its principal jurisdiction can obtain registration in a non-principal passport jurisdiction through a submission that, for a firm, can be made only with its principal regulator. A submission for an individual will continue to be made on the National Registration Database (NRD).

For a firm, automatic registration also depends on receipt of the submission having been acknowledged. A regulator will acknowledge receipt by updating NRD to show that the firm is registered in the non-principal jurisdiction. This condition would

make the firm's registration effective on the date shown on NRD so that the NRD information would be conclusive. CSA is currently looking at ways to remove the acknowledgement as a condition of registration so that automatic registration in a non-principal passport jurisdiction can occur upon making the required submission, while still preserving the accuracy of NRD as the database of record for firm registration. We did not include the acknowledgement as a condition for automatic registration of individuals because NRD keeps track of every submission date for individuals.

Section 6.3 of MI 11-102 does not apply to a firm registered in the category of restricted dealer. To register in a non-principal jurisdiction, a restricted dealer must apply directly in the non-principal passport jurisdiction. Automatic registration does not apply because there are no standard requirements for this category, which has been designed to deal with purely local categories. However, other aspects of passport, including automatic registration of the firm's representatives, would apply to a restricted dealer registered as such in multiple passport jurisdictions.

MI 11-102 makes regulatory actions by a firm's or individual's principal regulator apply automatically in each non-principal passport jurisdiction where the firm or individual is registered. Section 6.5 provides that any terms, conditions, restrictions, or requirements imposed by the principal regulator would also apply in each non-principal passport jurisdiction. If the registration is suspended, cancelled, terminated, revoked or surrendered in the principal jurisdiction, sections 6.6 to 6.8 provide that the registration would automatically be suspended, cancelled, terminated or revoked in each non-principal passport jurisdiction as appropriate. These provisions apply whether or not the firm or individual was registered automatically in a non-principal passport jurisdiction under section 6.3 or 6.4.

Registration fees would apply in each passport jurisdiction as at present. However, we plan to make changes to NRD to allow a firm making a submission to register in more than one jurisdiction to submit each jurisdiction's fees on NRD instead of by cheque as is currently the case.

Passport is designed to accommodate registration through self-regulatory organizations in jurisdictions where the necessary arrangements are in place. If one of those jurisdictions is a firm's or individual's principal jurisdiction, the firm or individual would deal with the self-regulatory organization it normally deals with in its principal jurisdiction to become registered in a non-principal passport jurisdiction under MI 11-102.

(ii) Automatic transition to terms and conditions of Principal Regulator

Section 6.9 of MI 11-102 delays the automatic application of the terms and conditions of the principal regulator in a non-principal passport jurisdiction until 30 days after the effective date of Part 6 of MI 11-102. This is to give a firm or individual time to apply to the regulator in the non-principal jurisdiction for an exemption from section 6.5 of MI 11-102.This means that, if a firm or individual does not apply for the exemption, the firm or individual will generally be subject to a single set of terms and conditions, i.e., those of the principal regulator.

(iii) Transition – Notice of Principal Regulator for Foreign Firm

Under section 6.10(1) of MI 11-102, if a foreign firm was registered in a category in multiple jurisdictions of Canada before the effective date of Part 6, the firm must submit information about its principal regulator in proposed Form 33-109F6, which will be revised to make this possible. The purpose of this submission is for a foreign firm to identify its principal regulator in accordance with section 6.1 of MI 11-102 and notify the securities regulatory authorities or regulators. Section 6.10(2) permits the foreign firm to make its submission by giving it to the principal regulator instead of the regulator in the non-principal passport jurisdiction.

(iv) Applicable requirements

We propose to harmonize most regulatory requirements for registrants through proposed NI 31-103, which CSA published for a second comment period on February 29, 2008. Proposed NI 31-103 contains some requirements and carve-outs for specific jurisdictions, which are apparent on the face of the instrument. In addition, some jurisdictions may have unique registration requirements in their statute or local rules or regulations.

Passport for discretionary exemption applications

Consequent to the proposed amendments for passport for registration and the expected concurrent adoption of proposed NI 31-103, passport regulators also propose to amend

- MI 11-102 to ensure the principal regulator for registration deals with the usual applications for exemption made in connection with an application for registration, and

- Appendix D of MI 11-102 to add the relevant provisions of proposed NI 31-103 and other equivalent registration provisions to the list of equivalent provisions from which a registrant may obtain a discretionary exemption and have it apply automatically in non-principal passport jurisdictions under Part 4 of MI 11-102.

NP 11-204

CSA proposes to implement new processes for making national registration decisions through NP 11-204, which all jurisdictions would adopt. NP 11-204 would work in tandem with MI 11-102. The processes will provide the interface:

- for registrants from passport jurisdictions to register in Ontario; and
- for Ontario registrants to register in one or more passport jurisdictions.

The interface for passport jurisdiction registrants would be similar to NRS. They would ensure that a passport jurisdiction registrant generally deals only with its principal regulator to gain access to Ontario.

The interface for Ontario market participants would provide them with direct access to passport jurisdictions under MI 11-102. An Ontario market participant would therefore be able to deal with the OSC as its principal regulator to register automatically in passport jurisdictions.

A foreign registrant would be able to gain access to the Canadian capital markets through a principal regulator on the same basis as a market participant in that regulator's jurisdiction.

Description of other amendments

The passport regulators propose to amend MI 11-102 and CP 11-102, and CSA proposes to amend NP 11-202 to address issues that have arisen since we implemented MI 11-102. The proposed additional amendments to MI 11-102.

- repeal the exemptions from the non-harmonized continuous disclosure and prospectus requirements because the requirements would no longer exist or the relevant passport regulators have determined that they should continue to apply in their jurisdiction,
- amend the definition of 'national prospectus instrument' to add National instrument 71-101 Multijurisdictional Disclosure System and extend passport to MJDS offerings, and
- make necessary adjustments to the equivalent provisions in Appendix D.

The amendments to NP 11-202 reflect administrative practices that CSA has developed since the passport regulators implemented MI 11-102.

Most of the amendments to NP 11-203 are consequential to the proposed amendments to MI 11-102 to implement passport for registration. The others deal with issues that have arisen since the implementation of passport for issuers.

CSA also expects to amend NI 31-102 and NI 33-109, its related forms and companion policy, as applicable, to

- allow firms, and individuals filing under a temporary hardship exemption, to make their submissions in alternate format instead of in paper format,
- allow foreign firms to identify their principal regulator under item A of Form 33-109F6, and
- generally adapt them for use with MI 11-102, for example, by adding the concept of 'principal regulator' and giving a firm permission to submit a notice of change on Form 33-109F5 to the firm's principal regulator only.

CSA also expects to further amend proposed NI 31-103 and its companion policy, which we published for a second comment period on February 29, 2008. The proposed additional amendments include

- conforming the definition of 'principal regulator' in NI 31-103 to the concept of 'principal regulator' in proposed Part 6 of MI 11-102,
- eliminating the notice of principal regulator requirement under the mobility exemption in NI 31-103,
- adopting a requirement to give notice before relying on the mobility exemption under NI 31-103 like under MI 11-101,

- giving permission in the companion policy to a firm to submit the notices and filings required under the 'fit and proper' notice and filing requirements of Part 4 of proposed NI 31-103 to the firm's principal regulator only, and

- reflecting the repeal of NRS.

Anticipated Costs and Benefits

The passport regulators expect that passport for registration will enhance the efficiency of regulation of the capital markets and simplify the use of the regulatory system for registrants. By using the passport tools, we can make more timely decisions and our processes more efficient and seamless for registrants.

We did not do a cost-benefit analysis of passport for registration. We worked with the OSC to develop interfaces for Ontario registrants who want to deal with clients in passport jurisdictions, and for registrants in passport jurisdictions who want to deal with clients in Ontario. The interfaces make the securities regulatory system as efficient and effective as possible in the circumstances for all registrants who want to deal with clients in both passport jurisdictions and Ontario.

Request for Comment

We request comments on the proposed amendments to MI 11-102 and CP 11-102, proposed new NP 11-204, the proposed amendments to NP 11-202 and NP 11-203, and the proposed repeals.

How to Provide Your Comments

Please provide your comments on

- the amendments to MI 11-102, CP 11-102, NP 11-202, NP 11-203, and new NP 11-204, by **September 17, 2008**, and

- the repeal of NRS by **October 17, 2008**.

Please address your submissions to the regulators listed below:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Nova Scotia Securities Commission
Office of the Attorney General, Prince Edward Island
Financial Services Regulation Division, Consumer and Commercial Affairs Branch, Department of Government Services, Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

You do not need to deliver your comments to each of these regulators. Please deliver your comments to the two addresses that follow, and they will be distributed to the other jurisdictions:

Leigh-Anne Mercier
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Anne-Marie Beaudoin
Secrétaire
Autorité des marchés financiers
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C.P. 246, Tour de la Bourse

Montréal, Québec H4Z 1G3
Fax : (514) 864-6381
e-mail: consultation-en-cours@lautorite.qc.ca
If you are not sending your comments by e-mail, please send a diskette or CD containing your comments in Word.

We cannot keep submissions confidential because securities legislation in certain provinces requires that a summary of the written comments received during the comment period be published.

Questions

Please refer your questions to any of:

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July 18, 2008

NATIONAL POLICY 11-204
PROCESS FOR REGISTRATION IN MULTIPLE JURISDICTIONS

NATIONAL POLICY 11-204
PROCESS FOR REGISTRATION IN MULTIPLE JURISDICTIONS

PART 1 APPLICATION

1.1 Application

This policy describes procedures for a firm or individual to register in more than one Canadian jurisdiction.

PART 2 DEFINITIONS

2.1 Definitions

In this policy,

"interface registration" means a registration described in section 3.3 of this policy;

"IIROC" means the Investment Industry Regulatory Organization of Canada;

"MI 11-102" means Multilateral Instrument 11-102 *Passport System*;

"NI 31-102" means National Instrument 31-102 *National Registration Database*;

"NRD" has the same meaning as in NI 31-102;

"NRD submission" has the same meaning as in NI 31-102;

"OSC" means the regulator in Ontario;

"passport jurisdiction" means the jurisdiction of a passport regulator;

"passport registration" means a registration described in section 3.2 of this policy;

"passport regulator" means a regulator that has adopted MI 11-102;

"permitted individual" has the same meaning as in NI 33-109;

"regulator" means a securities regulatory authority or regulator; and

"SRO" means self-regulatory organization.

2.2 Further definitions

Terms used in this policy and that are defined in National Instrument 14-101 *Definitions*, MI 11-102 or Companion Policy 11-102CP *Passport System* have the same meanings as in those instruments and policy.

2.3 Interpretation

Unless the context indicates otherwise, a reference in this policy to a 'regulator', 'principal regulator', or the OSC is a reference to the SRO to whom the regulator, principal regulator, or OSC has delegated, assigned or authorized the performance of all or part of its registration function or to the relevant office of that SRO for the jurisdiction of the regulator or principal regulator.

PART 3 OVERVIEW AND PRINCIPAL REGULATOR

3.1 Overview

This policy deals with a firm's or individual's registration in multiple jurisdictions in the following circumstances:

(i) The firm or individual is seeking registration or is registered in the firm's or individual's principal jurisdiction (including Ontario) and the firm or individual seeks registration in another jurisdiction (excluding Ontario). This is a "passport registration."

(ii) The firm or individual is seeking registration or is registered in the firm's or individual's principal jurisdiction, the principal regulator is a passport regulator, and the firm or individual seeks registration in Ontario. This is an "interface registration."

3.2 Passport registration

Under MI 11-102, if a firm or individual seeks registration or is registered in the firm's or individual's principal jurisdiction (including Ontario) and seeks registration in another jurisdiction (excluding Ontario), the firm or individual makes a submission to register in the other jurisdiction. Only the principal regulator reviews the firm's or individual's submission and the firm or individual's sponsoring firm deals only with the firm's or individual's principal regulator. The principal regulator reviews the firm's or individual's submission to register in the other jurisdiction only to ensure that it is complete. The other regulator does not conduct a review of the firm or individual.

3.3 Interface registration

If a firm or individual seeks registration or is registered in the firm's or individual's principal jurisdiction, the principal regulator is a passport regulator, and the firm or individual seeks registration in Ontario, the firm or individual submits an application to register in Ontario. The principal regulator will review the firm's or individual's application to register in Ontario and the OSC will decide whether to opt in or opt out of the principal regulator's determination. The firm or the individual's sponsoring firm will generally deal only with the firm's or the individual's principal regulator.

3.4 Registration in passport jurisdictions and Ontario

If a firm or individual seeks registration or is registered in the firm's or individual's principal passport jurisdiction, the principal regulator is a passport regulator, and the firm or individual seeks registration in a non-principal passport jurisdiction and in Ontario, the firm or individual should refer to the processes for

- a passport registration, to register in the non-principal passport jurisdiction, and
- an interface registration, to register in Ontario.

3.5 Registration by SRO

In some jurisdictions, the regulator has delegated, assigned or authorized an SRO to perform all or part of its registration function. The SRO continues to perform these functions in the relevant jurisdictions for a passport registration and an interface registration under this policy. At the date of this policy, this means that if,

(a) Alberta, British Columbia or Newfoundland and Labrador is the principal jurisdiction of a firm that is a member of IIROC or an individual whose sponsoring firm is a member of IIROC, the firm or the individual's sponsoring firm should deal with the office of IIROC, instead of the regulator, in that jurisdiction,

(b) Ontario or Québec is the principal jurisdiction of an individual whose sponsoring firm is a member of IIROC, the individual's sponsoring firm should deal with the office of IIROC, instead of the regulator, in that jurisdiction in respect of the individual.

3.6 Principal regulator

(1) For purposes of a passport registration and an interface registration under this policy, the principal regulator of a firm or individual is identified in the same manner as in section 6.1 of MI 11-102. This section summarizes section 6.1 of MI 11-102 and provides guidance for identifying a firm's or individual's principal regulator. The regulator of any jurisdiction can be a principal regulator for registration under this policy.

If a firm or individual makes an application for exemptive relief from a requirement in Part 4 of NI 31-103 or Part 2 of NI 33-109 in connection with an application for registration in the principal jurisdiction, the principal regulator for the application for exemptive relief is identified in the same manner as in section 4.4.1of MI 11-102. If a firm or individual makes any other application for exemptive relief from a registration requirement, the principal regulator is identified in the same manner as in sections 4.1 to 4.4 of MI 11-102. If a firm or individual is not seeking the relief, or is seeking more than one item of relief and not all of the items of relief, in its principal jurisdiction, the principal regulator is identified in the same manner as in section 4.5 of MI 11-102. A firm or individual should refer to section 3.6 of NP 11-203 for further guidance on how to identify the principal regulator for exemptive relief application purposes.

(2) Subject to subsection (5) of this section and section 3.7 of this policy, the principal regulator of a firm is the regulator in the jurisdiction where the firm has its head office, unless the firm's head office is outside Canada. A domestic firm identifies its

head office in item A *Contact Information* of Form 33-109F6. This information is on NRD for a domestic firm registered on [insert effective date of Part 6 of MI 11-102].

(3) For greater certainty, a firm is a domestic firm if it is a legal entity and has a head office in Canada. For example, a US subsidiary of a foreign firm is a domestic firm. A Canadian branch office of a foreign firm is not.

(4) Subject to subsection (7) of this section and section 3.7 of this policy, the principal regulator of an individual is the regulator in the jurisdiction where the individual has his or her working office, unless the individual's working office is outside Canada. The working office of a domestic individual is the office of the sponsoring firm where the individual does most of his or her business. A domestic individual identifies his or her working office in item 9 *Location of Employment* of Form 33-109F4. This information is on NRD for a domestic individual registered on [insert effective date of Part 6 of MI 11-102].

(5) Subject to section 3.7 of this policy, if the head office of a firm is outside Canada, the principal regulator for the foreign firm is the regulator in the jurisdiction of Canada the firm identified in its most recently filed Form 33-109F5 or Form 33-109F6. These forms requires a foreign firm to identify as its principal regulator the regulator in the jurisdiction with which the foreign firm has the most significant connection.

(6) The factors a foreign firm should consider in identifying the principal regulator based on its most significant connection are, in order of influential weight, the jurisdiction in which the firm has or expects to have

- its principal Canadian office, and
- the highest number of clients as of the end of the firm's most recently completed or first financial year.

(7) Subject to section 3.7 of this policy, if the working office of an individual is outside Canada, the principal regulator of the foreign individual is the principal regulator of the individual's sponsoring firm.

(8) A firm should notify the regulator by providing the information required in item A *Contact Information* of Form 33-109F6 in accordance with NI 33-109 if

- in the case of a domestic firm, the firm changes the jurisdiction of its head office,
- in the case of a foreign firm, the firm changes the jurisdiction of its principal Canadian office, or
- the jurisdiction where the firm has the highest number of clients as of the end of its most recently completed financial year changes.

CP 33-109 provides that the firm may make this submission to a non-principal regulator by giving it only to its principal regulator. The submission should be made in alternate format (i.e., by e-mail, fax or sending the submission to the regulator's address). A firm should refer to Appendix B of CP 33-109 for guidance on how to make this submission in alternate format.

(9) In the event of a change in a domestic individual's working office, the individual's sponsoring firm should make the NRD Submission for a *Location of Employment Change* for the individual in accordance with NI 33-109.

(10) Under MI 11-102, a foreign firm registered in a non-principal passport jurisdiction before [insert effective date of Part 6 of MI 11-102] must submit on or before [insert date that is 30 days after effective date of Part 6 of MI 11-102] the information required in item A *Contact Information* of Form 33-109F6 in accordance with NI 33-109 to identify its principal regulator. A foreign firm may make its submission to a non-principal passport regulator by giving it only to its principal regulator. The submission should be made in alternate format. Foreign firms should refer to Appendix B of CP 33-109 for guidance on how to make this submission in alternate format.

(11) Under MI 11-102, the principal regulator for a foreign individual is the same as the principal regulator for the individual's sponsoring firm. For that reason, the sponsoring firm of a foreign individual is not required to make a submission to identify the individual's principal regulator.

3.7 Discretionary change of principal regulator

(1) If a regulator thinks that the principal regulator identified under section 3.6 of this policy is inappropriate, the regulator will give the firm or individual written notice of the appropriate principal regulator for the firm or individual and the reasons for the change. The regulator specified in the notice will be the firm or individual's principal regulator as of the later of the date the firm or individual receives the notice and the effective date specified in the notice, if any. To streamline the process, the regulators will give the written notice relating to the principal regulator of an individual to the individual's sponsoring firm.

(2) Regulators do not generally expect changing the principal regulator for a domestic firm or domestic individual. Regulators anticipate changing the principal regulator for a foreign firm only in exceptional circumstances. Regulators may change the principal regulator for a foreign individual if the foreign individual is not registered in his or her sponsoring firm's principal jurisdiction or if the individual's principal regulator under this policy does not correspond to his or her principal regulator as shown on NRD. Regulators will give written notice of a change in principal regulator.

PART 4 GENERAL GUIDANCE FOR FIRMS AND INDIVIDUALS

4.1 Effect of submission

(1) If an individual's sponsoring firm makes an NRD submission for the individual in relation to a passport registration or an interface registration in a non-principal jurisdiction, this has the effect of submitting the individual's entire Form 33-109F4 in the jurisdiction.

(2) Because firms do not file or submit their Form 33-109F6 on NRD, the form requires instead that the firm make a solemn declaration or affirmation that, among other things,

- the information provided on the form is true and contains all facts necessary to prevent the information from being false or misleading in the circumstances, and
- with respect to a submission made in respect of a non-principal jurisdiction, at the date of the submission,
  - the firm has filed or submitted all the information required to be filed or submitted in relation to the firm's registration in its principal jurisdiction,
  - the information is true and contains all facts necessary to prevent the information from being false or misleading in the circumstances.

In addition, the form requires the firm to authorize its principal regulator to give each non-principal regulator access to any information the firm has filed or submitted to the principal regulator under securities legislation of the principal jurisdiction in relation to the firm's registration in that jurisdiction.

Should a regulator discover that a firm made a false declaration or affirmation, the regulator may take appropriate enforcement action against the firm.

4.2 Fees

(1) A firm or an individual's sponsoring firm must submit any required fees for the firm or the individual under applicable securities legislation in the principal jurisdiction and the non-principal passport jurisdiction when making the relevant submission. A submission is not considered complete unless the required fees are submitted under applicable securities legislation in relevant jurisdictions.

(2) A firm may pay the fee related to a submission by sending a cheque to the relevant regulator or submitting payment to each relevant regulator directly on NRD. A sponsoring firm must pay the fee for a domestic individual's submission to each relevant regulator by submitting it on NRD. A sponsoring firm may pay the fee for a foreign individual's submission by sending a cheque to the relevant regulator or submitting payment to each relevant regulator directly on NRD.

4.3 Firm submissions

A firm should make a submission under section 5.2(1) to (3) or section 6.2(1) or (2) of this policy in alternate format. Firms should refer to Appendix B of CP 33-109 for guidance on how to make a submission in alternate format.

PART 5 PASSPORT REGISTRATION

5.1 Application

(1) This part applies to a firm or individual seeking registration in any category (other than a firm seeking registration as a restricted dealer) in a non-principal passport jurisdiction. To register in a non-principal jurisdiction, a restricted dealer must apply directly to the non-principal passport regulator. This part applies to an individual seeking registration in a non-principal passport jurisdiction to act on behalf of a restricted dealer if the restricted dealer is registered as such in that jurisdiction and its principal jurisdiction.

(2) A firm seeking registration as a restricted dealer must complete the entire Form 33-109F6 and submit it, along with all supporting materials, in each jurisdiction where it seeks registration as such.

5.2 Filing of materials

For a firm

(1) Under MI 11-102, a firm that seeks registration in a non-principal passport jurisdiction in a category for which it is concurrently seeking registration in its principal jurisdiction (including Ontario) should complete the entire Form 33-109F6 and submit it together with all supporting materials.

(2) If the firm is registered in a category in its principal jurisdiction (including Ontario) and subsequently seeks registration in the same category in the non-principal passport jurisdiction, the firm should complete the items of Form 33-109F6 specified in the General Instructions to the form and submit the form. The relevant items of Form 33-109F6 are:

- A. *Contact information*
- B. *Jurisdictions where firm is seeking registration*
- C. *Categories of registration*
- K. *Collection of personal information*
- L. *Submission to jurisdiction and appointment of agent for service of process*
- M. *Signatures*

(3) If the firm seeks to add a category in the principal jurisdiction (including Ontario) and in a non-principal passport jurisdiction, the firm should complete the items of Form 33-109F6 specified in the General Instructions to the form and submit the form. The relevant items of Form 33-109F6 are

- A. *Contact Information* (item 7 ultimate designated person and chief compliance officer)
- B. *Jurisdictions where firm is seeking registration*
- C. *Categories of registration*
- D. *Business structure and history* (item 7 business plan)
- E. *Capital requirements* (attachment for calculation of excess working capital)
- F. *Financial Information* (item 3 insurance)
- G. *Operations* (attachment for policies and procedures manual and client-related documents)
- K. *Collection or personal information*
- M. *Signatures*

(4) Making a submission under subsections (1) to (3), including submitting any supporting materials required under Form 33-109F6, by giving it to the principal regulator satisfies the firm's obligation under MI 11-102 to make the submission to the regulator in the non-principal passport jurisdiction. Making a submission under subsections (2) and (3) satisfies the firm's obligation to submit a completed Form 33-109F6.

For an individual

(5) Under MI 11-102, the sponsoring firm of an individual who seeks registration in a non-principal passport jurisdiction in a category for which the individual is registered or is concurrently seeking registration in his or her principal jurisdiction (including Ontario) should submit a completed Form 33-109F4, or in some cases a completed Form 33-109F2, for the individual in accordance with NI 33-109.

(6) NI 33-109 requires a completed Form 33-109F4 or completed Form 33-109F2 to be submitted on NRD. NRD automatically submits the relevant form to the appropriate regulators. In some circumstances, it is not necessary to complete the entire form. For example, it is not necessary to complete the entire form for an individual to seek registration in the same category in an additional jurisdiction, to add or remove a category of registration, or to register in a category with an additional or a new sponsoring firm. In those circumstances, the relevant NRD submission indicates which items of the form to complete.

(7) Making an NRD submission under subsection (6) satisfies the individual's obligation under MI 11-102 to submit a completed Form 33-109F4.

Fees in non-principal jurisdiction

(8) Fees required for a firm or individual to register automatically in a non-principal passport jurisdiction under MI 11-102 are annual registration fees. If the principal regulator refuses to register the firm or individual, the regulator in any non-principal passport jurisdiction in respect of which a submission was made will return the fees submitted in relation to the submission.

5.3 Registration

(1) NRD will record a firm's or an individual's category of registration in the principal jurisdiction, any T&C imposed by the principal regulator, and any exemption from Part 4 of NI 31-103 or Part 2 of NI 33-109 granted by the principal regulator.

(2) Under MI 11-102, a firm or individual that is registered in a category in the firm's or individual's principal jurisdiction is automatically registered in a non-principal passport jurisdiction in the same category as in the firm's or the individual's principal jurisdiction if

(a) in the case of a firm,

(i) the firm submitted a completed Form 33-109F6 in accordance with NI 33-109, and

(ii) receipt of the submission has been acknowledged; and

(b) in the case of an individual,

(i) the individual's sponsoring firm is registered in the non-principal passport jurisdiction in the same category as in the firm's principal jurisdiction, and

(ii) the individual's sponsoring firm submitted a completed Form 33-109F4, or in some cases a completed Form 33-109F2, in accordance with NI 33-109 for the individual.

A firm's submission under section 5.2 of this policy has been acknowledged in a non-principal passport jurisdiction if NRD shows that a firm is registered in the non-principal passport jurisdiction.

If a firm or individual is registered in the same category in the principal jurisdiction and in the non-principal passport jurisdiction, MI 11-102 provides that a T&C imposed on the registration in the principal jurisdiction applies as if it were imposed in the non-principal passport jurisdiction. The T&C applies until the earlier of the date that the regulator that imposed it cancels or revokes it, or the T&C expires.

(3) NRD will record for each non-principal passport jurisdiction in respect of which the firm or individual made the relevant submission

- the firm's or the individual's automatic registration in the same category as in the principal jurisdiction,
- any T&C imposed by the principal regulator that apply automatically to the firm or individual in the non-principal jurisdiction, and
- any exemption from Part 4 of NI 31-103 or Part 2 of NI 33-109 granted by the principal regulator that applies automatically in the non-principal jurisdiction.

If a firm or individual made the relevant submission to register concurrently in the principal jurisdiction and one or more non-principal passport jurisdictions, NRD will show the same registration date in the principal jurisdiction and the non-principal jurisdiction(s). If a firm or individual is already registered in the principal jurisdiction when the firm or individual makes the relevant submission in respect of a non-principal jurisdiction, NRD will show the date of automatic registration in the non-principal passport jurisdiction (which will be different from the date of registration in the principal jurisdiction).

(4) The principal regulator may grant or have granted a discretionary exemption application from a requirement of Part 4 of NI 31-103 or Part 2 of NI 33-109 in connection with an application to register in the principal jurisdiction. In that case, the exemption applies automatically in the non-principal passport jurisdiction in which the firm or individual is registered automatically under MI 11-102 if certain conditions are met. The conditions are set out section 4.7 of MI 11-102. Among other things, section 4.7(1)(c) of MI 11-102 requires the applicant to give notice of intention to rely on the exemption in the non-principal jurisdiction.

PART 6 INTERFACE REGISTRATION

6.1 Application

(1) This part applies to a firm or an individual seeking registration in any category (other than a firm seeking registration as a restricted dealer) in Ontario when Ontario is a non-principal jurisdiction. To register in Ontario, a restricted dealer must apply directly to the OSC. This part applies to an individual seeking registration in Ontario to act on behalf of a restricted dealer if the restricted dealer is registered as such in Ontario and its principal jurisdiction.

(2) A firm seeking registration as a restricted dealer in Ontario must complete the entire Form 33-109F6 and submit it, along with all supporting materials, directly to the OSC whether Ontario is the firm's principal jurisdiction or non-principal jurisdiction.

6.2 Filing materials

For a firm

(1) If a firm seeks registration in Ontario in a category for which it is concurrently seeking registration in its principal jurisdiction, the firm should complete the entire Form 33-109F6 and submit it to its principal regulator and the OSC. Supporting materials that are required under Form 33-109F6 may be submitted to the OSC by giving them to the principal regulator.

(2) If a firm is registered in a category in its principal jurisdiction and subsequently seeks registration in the same category in Ontario, the firm should complete the items of Form 33-109F6 specified in the General Instructions to the form and submit the form to the principal regulator and the OSC. The relevant items of Form 33-109F6 are:

- A. *Contact information*
- B. *Jurisdictions where firm is seeking registration*
- C. *Categories of registration*
- K. *Collection of personal information*
- L. *Submission to jurisdiction and appointment of agent for service of process*
- M. *Signatures*

Supporting materials that are required under Form 33-109F6 may be submitted to the OSC by giving them to the principal regulator.

(3) If a firm seeks to add a category in its principal jurisdiction and in Ontario, the firm must complete the items of Form 33-109F6 specified in the General Instructions to the form and submit the form to its principal regulator and the OSC. The relevant items of Form 33-109F6 are:

- A. *Contact Information* (item 7 ultimate designated person and chief compliance officer)
- B. *Jurisdictions where firm is seeking registration*
- C. *Categories of registration*
- D. *Business structure and history* (item 7 business plan)
- E. *Capital requirements* (attachment for calculation of excess working capital)

- F. *Financial Information* (item 3 insurance)
- G. *Operations* (attachment for policies and procedures manual and client-related documents)
- K. *Collection or personal information*
- M. *Signatures*

Supporting materials that are required under Form 33-109F6 may be submitted to the OSC by giving them to the principal regulator.

For an individual

(4) Under NI 33-109, the sponsoring firm of an individual who seeks registration is required to submit a completed Form 33-109F4, or in some cases a completed Form 33-109F2, for the individual through NRD. NRD automatically submits the relevant form to the appropriate regulators. In some circumstances, it is not necessary to complete the entire form. For example, it is not necessary to complete the entire form for an individual to seek registration in the same category in an additional jurisdiction, to add or remove a category of registration, or to register in a category with an additional or a new sponsoring firm. In those circumstances, the relevant NRD submission indicates which items of the form to complete.

(5) Making an NRD submission under subsection (4) satisfies the individual's obligation to submit a completed Form 33-109F4.

6.3 Decision-making process

(1) If a firm or individual seeks registration in the principal jurisdiction and in Ontario, the firm or the individual's sponsoring firm will generally deal only with the principal regulator.

(2) The principal regulator will submit to the OSC (or the Ontario office of IIROC, for an individual seeking registration as a representative of an investment dealer) an interface document containing its proposed determination. The OSC will advise the principal regulator whether it opts in to, or opts out of, the principal regulator's proposed determination generally within one business day from receiving the interface document. The Ontario office of IIROC will generally do this within [*] business days from receiving the interface document.

(3) The OSC may impose a local T&C on a firm's or an individual's registration without opting out.

(4) If the OSC opts out, it will give the principal regulator written reasons for its decision and the principal regulator will forward the reasons to the firm or the individual's sponsoring firm and use its best efforts to resolve the opt-out issues with the firm or the sponsoring firm of the individual and the OSC.

(5) If the principal regulator is able to resolve the OSC's opt-out issues with the firm or the individual's sponsoring firm before NRD shows the firm or individual as being registered in the principal jurisdiction, the OSC may opt back into the interface registration. In that case, the OSC will notify the principal regulator and the firm or the individual's sponsoring firm that it has opted back in. If the principal regulator is unable to resolve the OSC's opt-out issues, the firm or individual's sponsoring firm should deal with the OSC directly to resolve them.

6.4 Decision

(1) NRD will record a firm or individual's category of registration in the principal jurisdiction, any T&C that applies in the principal jurisdiction, and any exemption from Part 4 of NI 31-103 or Part 2 of NI 33-109 granted by the principal regulator. If the OSC opts in, NRD will also record that the firm or individual is registered in the same category in Ontario and that the OSC has adopted the same T&C and granted the same exemption from Part 4 of NI 31-103 or Part 2 of NI 33-109 as the principal regulator.

(2) If the OSC imposes a local T&C on a firm's or an individual's registration, NRD will also record any T&C applicable in Ontario only.

6.5 Opportunity to be heard

(1) If the principal regulator of a firm or an individual that seeks registration in the principal jurisdiction and, concurrently, in Ontario is not prepared to grant registration or is prepared to grant registration with a T&C, the principal regulator will

- send the firm or the individual's sponsoring firm a copy of the principal regulator's proposed T&C, if applicable, and

- notify the firm or the individual's sponsoring firm that it has the right to request an opportunity to be heard from the principal regulator.

If the OSC opts in to the determination of the principal regulator to refuse registration or impose a T&C, the principal regulator will forward to the firm or the individual's sponsoring firm the OSC's notification that the firm or individual has the right to request an opportunity to the heard from the OSC.

(2) If a firm or individual exercises the right to request an opportunity to be heard from the principal regulator or from the principal regulator and the OSC, the principal regulator will notify the OSC.

(3) If the firm or the individual's sponsoring firm also requests an opportunity to be heard in Ontario, the principal regulator and the OSC will decide whether to provide an opportunity to be heard separately, jointly or concurrently. After the firm or individual had an opportunity to be heard and the principal regulator makes a decision, the principal regulator will send to the OSC a new interface document setting out its proposed determination, if applicable.

(4) If a firm or individual is registered in the principal jurisdiction and, subsequently, applies to register in Ontario, and the OSC decides to refuse registration or impose a local T&C, the OSC will send the principal regulator for the firm or the individual

- a copy of the T&C, if applicable, and

- the OSC's notification that the firm or individual has the right to request an opportunity to be heard in Ontario.

The principal regulator will forward these documents to the firm or individual's sponsoring firm. Thereafter, the firm or individual will deal directly with the OSC.

AMENDMENTS TO
NATIONAL POLICY 11-202 *PROCESS FOR PROSPECTUS REVIEWS IN MULTIPLE JURISDICTIONS*

1. This Instrument amends National Policy 11-202 Process for Prospectus Reviews in Multiple Jurisdictions.

2. Section 4.1 is amended by striking out "under this policy***" and substituting "***under this policy and MI 11-102***".***

3. Section 7.1(1) is amended by striking out the last sentence and substituting "To assist filers, the principal regulator will list in its receipt the passport jurisdictions where the prospectus has been filed under MI 11-102 and indicate that a receipt is deemed to be issued in each of those jurisdictions, if the conditions of MI 11-102 have been satisfied.***".***

4. Section 7.1 is amended by adding the following:

(3) If a pro forma prospectus or an amended and restated preliminary prospectus is filed in the principal jurisdiction and a preliminary prospectus is filed in a non-principal jurisdiction, the principal regulator will issue a document that evidences that the regulator in the non-principal jurisdiction issued a receipt for the preliminary prospectus.

5. These amendments come into effect on **, 2009.

NATIONAL POLICY 11-203
PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

Annex B
Form of decision for a dual application

Annex C
Form of decision for coordinated review application

Annex D
Form of decision for hybrid application

National Policy 11-203
Process for Exemptive Relief Applications in Multiple Jurisdictions

PART 1 APPLICATION

1.1 Application – This policy describes the process for the filing and review of an application for exemptive relief in more than one Canadian jurisdiction.

PART 2 DEFINITIONS

2.1 Definitions – In this policy

"AMF" means the regulator in Québec;

"application" means a request for exemptive relief other than a pre-filing or waiver application as those terms are defined in NP 11-202;

"coordinated review application" means an application described in section 3.4 of this policy;

"coordinated review" means the review under this policy of a coordinated review application;

"CP 11-102" means Companion Policy 11-102CP *Passport System* to MI 11-102;

"dual application" means an application described in section 3.3 of this policy;

"dual review" means the review under this policy of a dual application;

"exemption" means any discretionary exemption to which Part 4 of MI 11-102 applies;

"exemptive relief" means any approval, decision, declaration, designation, determination, exemption, extension, order, ruling, permission, recognition, revocation, waiver or other relief sought under securities legislation or securities directions;

"filer" means

(a) a person or company filing an application, or

(b) an agent of a person or company referred to in paragraph (a);

"hybrid application" means an application comprised of both

(a) a passport application or dual application, and

(b) a coordinated review application;

"MI 11-102" means Multilateral Instrument 11-102 Passport System;

"notified passport jurisdiction" means a passport jurisdiction for which a filer gave the notice referred to in section 4.7(1)(c) of MI 11-102

"NP 11-202" means National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*;

"NP 11-204" means National Policy 11-204 *Process for Registration in Multiple Jurisdictions*;

"OSC" means the regulator in Ontario;

"passport application" means an application described in section 3.2 of this policy;

"passport jurisdiction" means the jurisdiction of a passport regulator;

"passport regulator" means a regulator that has adopted MI 11-102;

"pre-filing" means a consultation with the principal regulator for an application, initiated before the filing of the application, regarding the interpretation of securities legislation or securities directions or their application to a particular transaction or matter or proposed transaction or matter; and

"regulator" means a securities regulatory authority or regulator.

2.2 Further definitions – Terms used in this policy that are defined in MI 11-102 or National Instrument 14-101 Definitions have the same meanings as in those instruments.

PART 3 OVERVIEW, PRINCIPAL REGULATOR AND GENERAL GUIDELINES

3.1 Overview

This policy applies to any application for exemptive relief in multiple jurisdictions. These are the possible types of applications:

(a) The principal regulator is a passport regulator and the filer does not seek an exemption in Ontario. This is a "passport application."

(b) The principal regulator is the OSC and the filer also seeks an exemption in a passport jurisdiction. This is also a "passport application."

(c) The principal regulator is a passport regulator and the filer also seeks an exemption in Ontario. This is a "dual application."

(d) An application for any type of exemptive relief not covered by Part 4 of MI 11-102. This is a "coordinated review application."

3.2 Passport application

(1) If the principal regulator is a passport regulator and the filer does not seek an exemption in Ontario, the filer files the application only with, and pays fees only to, the principal regulator. Only the principal regulator reviews the application. The principal regulator's decision to grant an exemption automatically results in an equivalent exemption in the notified passport jurisdictions.

(2) If the principal regulator is the OSC and the filer also seeks an equivalent exemption in a passport jurisdiction, the filer files the application only with, and pays fees only to, the OSC. Only the OSC reviews the application. The OSC's decision to grant the exemption automatically results in an equivalent exemption in the notified passport jurisdictions.

3.3 Dual application – If the principal regulator is a passport regulator and the filer also seeks an exemption in Ontario, the filer files the application with, and pays fees to, both the principal regulator and the OSC. The principal regulator reviews the application and the OSC, as a non-principal regulator, coordinates its review with the principal regulator. The principal regulator's decision to grant the exemption automatically results in an equivalent exemption in the notified passport jurisdictions and, if the OSC has made the same decision as the principal regulator, evidences the decision of the OSC.

3.4 Coordinated review application – If the application is outside the scope of MI 11-102 (see section 4.1 of CP 11-102 for details on the types of applications that fall outside the scope of MI 11-102), the filer files the application and pays fees in each jurisdiction where the exemptive relief is required. The principal regulator reviews the application, and each non-principal regulator coordinates its review with the principal regulator. The decision of the principal regulator to grant exemptive relief evidences the decision of each non-principal regulator that has made the same decision as the principal regulator.

3.5 Hybrid applications – The processes and outcomes applicable to a passport application, dual application or a coordinated review application under this policy also apply to a hybrid application. For a hybrid application, the filer should follow the processes for both a coordinated review application and either a passport application or dual application, as appropriate.

3.6 Principal regulator

(1) For any application under this policy, the principal regulator is identified in the same manner as in sections 4.1 to 4.5 of MI 11-102. This section summarizes sections 4.1 to 4.5 of MI 11-102 and provides guidance on identifying the principal regulator for an application under this policy.

(2) For the purpose of this section, a specified jurisdiction is one of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick or Nova Scotia.

(3) Except as provided in subsections (4) to (89) of this section and in section 3.7 of this policy, the principal regulator for an exemptive relief application is

(a) for an application made for an investment fund, the regulator of the jurisdiction in which the investment fund manager's head office is located; or

(b) for an application made for a person or company other than an investment fund, the regulator of the jurisdiction in which the person or company's head office is located.

(4) ~~For~~Except as provided in subsection (6) to (9) of this section and in section 3.7 of this policy, the principal regulator for an application for exemptive relief from a provision of securities legislation related to insider reporting~~, the principal regulator~~ is the regulator in the jurisdiction in which the head office of the reporting issuer, not the insider, is located.

(5) ~~For~~Except as provided in subsection (6) to (9) of this section and in section 3.7 of this policy, the principal regulator for an application for exemptive relief from a provision of securities legislation related to take-over bids~~, the principal regulator~~ is the regulator in the jurisdiction in which the head office of the issuer whose securities are subject to the take-over bid, not the person or company that is making the take-over bid, is located.

(6) ~~If~~Except as provided in subsections (7), (8) and (9) of this section and section 3.7 of this policy, if the jurisdiction identified under subsection (3), (4) or (5) is not a specified jurisdiction, the principal regulator for the application is the regulator of the specified jurisdiction with which

(a) in the case of an application for exemptive relief from a provision of securities legislation related to insider reporting, the reporting issuer has the most significant connection,

(b) in the case of an application for exemptive relief from a provision of securities legislation related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or

(c) in any other case, the person or company or, in the case of an investment fund, the investment fund manager, has the most significant connection.

(7) Except as provided in subsections (8) and (9) of this section and section 3.7 of this policy, if a firm or individual makes an application for exemptive relief from a requirement in Part 4 of NI 31-103 or Part 2 of NI 33-109 in connection with an application for registration in the principal jurisdiction, the principal regulator for the exemptive relief application is the principal regulator as determined under section 3.6 of NP 11-204. Under section 3.6 of NP 11-204 the securities regulatory authority or regulator of any jurisdiction can be a principal regulator.

(8) Except as provided in subsection (~~8~~)9) of this section, and section 3.7 of this policy, if a person or company is not seeking exemptive relief in the jurisdiction of the principal regulator, as determined under subsections (3), (4), (5), (6) or (~~6~~7), the principal regulator for the application is the regulator in the specified jurisdiction

(a) in which the person or company is seeking exemptive relief, and

(b) with which

(i) in the case of an application for exemptive relief from a provision of securities legislation related to insider reporting, the reporting issuer has the most significant connection,

(ii) in the case of an application for exemptive relief from a provision of securities legislation related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or

(iii) in any other case, the person or company or, in the case of an investment fund, the investment fund manager, has the most significant connection.

(~~8) If~~9) Except as provided in section 3.7 of this policy, if at any one time a person or company is seeking more than one item of exemptive relief and not all of the exemptive relief is needed in the jurisdiction of the principal regulator, as determined under subsection (3), (4), (5), (6), (7) or (~~6~~8), the person or company may make an application to the regulator in the specified jurisdiction

(a) in which the person or company is seeking all of the exemptive relief, and

(b) with which

(i) in the case of an application for exemptive relief from a provision of securities legislation related to insider reporting, the reporting issuer has the most significant connection,

(ii) in the case of an application for exemptive relief from a provision of securities legislation related to take-over bids, the issuer whose securities are subject to the take-over bid has the most significant connection, or

(iii) in any other case, the person or company or, in the case of an investment fund, the investment fund manager, has the most significant connection.

That regulator will be the principal regulator for the application.

(~~9~~10) The factors a filer should consider in identifying the principal regulator for the application based on the most significant connection test are, in order of influential weight:

(a) location of reporting issuer status or registration status,

(b) location of management,

(c) location of assets and operations,

(d) location of majority of security holders or clients, and

(e) location of trading market or quotation system in Canada.

3.7 Discretionary change in principal regulator

(1) If the principal regulator identified under section 3.6 of this policy thinks it is not the appropriate principal regulator, it will first consult with the filer and the appropriate regulator and then give the filer a written notice of the new principal regulator and the reasons for the change.

(2) A filer may request a discretionary change of principal regulator for an application if

(a) the filer believes the principal regulator identified under section 3.6 of this policy is not the appropriate principal regulator,

(b) the location of the head office changes over the course of the application,

(c) the most significant connection to a specified jurisdiction changes over the course of the application, or

(d) the filer withdraws its application in the principal jurisdiction because no exemptive relief is required in that jurisdiction.

(3) Regulators do not anticipate changing a principal regulator except in exceptional circumstances.

(4) A filer should submit a written request for a change in principal regulator to its current principal regulator and include the reasons for requesting the change.

3.8 General guidelines

(1) A filer should identify the exemptive relief that is appropriate and necessary in the principal jurisdiction and each non-principal jurisdiction to which the filer applies or for which it gives notice under section 4.7(1)(c) of MI 11-102.

(2) The terms, conditions, restrictions and requirements of a decision will reflect the securities legislation and securities directions of the principal jurisdiction.

(3) A decision will generally provide exemptive relief for the entire transaction or matter that is the subject of the application to ensure the transaction or matter gets uniform treatment in all jurisdictions. This means that, if the transaction or matter is comprised of a series of trades, the decision will generally exempt all the trades in the series and the filer will not rely on statutory exemptions for some trades and on the decision for others.

(4) The regulators are not prepared to extend the availability of a non-harmonized exemption set out in National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106) to a non-principal jurisdiction where the non-harmonized

exemption is not available under that rule. If a filer makes a passport application or a dual application that would have that effect, the principal regulator will request that the filer provide a representation that no person or company will rely on the exemption in that non-principal jurisdiction. For example, jurisdictions have adopted two types of offering memorandum exemptions under NI 45-106. A principal regulator would not grant an exemption that would have the effect of allowing the use of a type of offering memorandum exemption that is not available under NI 45-106 in a non-principal jurisdiction, unless the filer gave a representation that no person or company would offer the securities relying on that type of offering memorandum exemption in the non-principal jurisdiction.

(5) Regulators will generally send communications to filers by e-mail or facsimile.

PART 4 PRE-FILINGS

4.1 General

(1) A filer should submit a pre-filing sufficiently in advance of an application to avoid any delays in the issuance of a decision on the application.

(2) The principal regulator will treat the pre-filing as confidential except that it:

(a) may provide copies or a description of the pre-filing to other regulators for discussion purposes if the pre-filing involves a novel and substantive issue or raises a novel policy concern, and

(b) may have to release the pre-filing under freedom of information and protection of privacy legislation.

4.2 Procedure for passport application pre-filing – A filer should submit a pre-filing for a passport application by letter to the principal regulator and should

(a) identify in the pre-filing the principal regulator for the application and each passport jurisdiction for which the filer intends to give the notice referred to in section 4.7(1)(c) of MI 11-102, and

(b) submit the pre-filing to the principal regulator only.

4.3 Procedure for dual application pre-filing

(1) A filer submitting a pre-filing for a dual application should identify in the pre-filing the principal regulator, each passport jurisdiction for which the filer intends to give the notice referred to in section 4.7(1)(c) of MI 11-102, and Ontario.

(2) The filer should submit the pre-filing only to the principal regulator. If the pre-filing is routine, the filer will deal only with the principal regulator to resolve the pre-filing.

(3) If the principal regulator determines that a pre-filing submitted as a routine pre-filing involves a novel and substantive issue or raises a novel policy concern, it will advise the filer and direct the filer to submit the pre-filing to the OSC.

(4) If it is apparent to the filer that a pre-filing involves a novel and substantive issue or raises a novel policy concern, the filer may accelerate this process by submitting the pre-filing to both the principal regulator and the OSC.

(5) If a pre-filing involves a novel and substantive issue or raises a novel policy concern, the principal regulator will arrange with the OSC to discuss it within seven business days, or as soon as practicable after the OSC receives the pre-filing.

4.4 Procedure for coordinated review application pre-filing

(1) A filer submitting a pre-filing for a coordinated review application should identify in the pre-filing the principal regulator and all non-principal jurisdictions where the filer intends to file the application.

(2) The filer should submit the pre-filing only to the principal regulator. If the pre-filing is routine, the filer will deal only with the principal regulator to resolve the pre-filing.

(3) If the principal regulator determines that a pre-filing submitted as a routine pre-filing involves a novel and substantive issue or raises a novel policy concern, it will advise the filer and direct the filer to submit the pre-filing to each non-principal regulator.

(4) If it is apparent to the filer that a pre-filing involves a novel and substantive issue or raises a novel policy concern, the filer may accelerate this process by submitting the pre-filing to the principal regulator and each non-principal regulator with whom the filer intends to file the application.

(5) If a pre-filing involves a novel and substantive issue or raises a novel policy concern, the principal regulator will arrange with the non-principal regulators to discuss the pre-filing within seven business days, or as soon as practicable after all non-principal regulators receive the pre-filing.

4.5 Disclosure in related application – The filer should include in the application that follows a pre-filing,

(a) a description of the subject matter of the pre-filing and the approach taken by the principal regulator, and

(b) any alternative approach proposed by a non-principal regulator that was involved in discussions and that disagreed with the principal regulator.

PART 5 FILING MATERIALS

5.1 Election to file under this policy and identification of principal regulator – In its application, the filer should indicate whether it is filing a passport application, dual application, coordinated review application or hybrid application under this policy and identify the principal regulator for the application. If submitting a hybrid application, the filer should indicate whether it includes a passport application or a dual application.

5.2 Materials to be filed with application

(1) For a passport application, the filer should remit to the principal regulator the fees payable under the securities legislation of the principal regulator, and file the following materials with the principal regulator only:

(a) a written application drafted in accordance with the procedures of the principal regulator as to format and content in which the filer:

(i) states the basis for identifying the principal regulator under section 3.6 of this policy,

(ii) identifies whether another application in connection with the same transaction or matter has been filed in one or more jurisdictions, the reasons for that application, and the principal regulator for that application,

(iii) sets out, for any related pre-filing, the information referred to in section 4.5 of this policy,

(iv) sets out, under separate headings, each provision of securities legislation listed in Appendix D of MI 11-102 below the name of the principal jurisdiction from which the filer and other relevant party seek an exemption,

(v) gives notice of the non-principal passport jurisdictions for which section 4.7(1) of MI 11-102 is intended to be relied upon for each equivalent provision of the local jurisdiction,

(vi) sets out any request for confidentiality,

(vii) sets out references to previous decisions of the principal regulator or other regulators that would support granting the exemption, or indicates that the exemption sought is novel and has not been previously granted;

(viii) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application; and

(ix) states that the filer and other relevant party is not in default of securities legislation in any jurisdiction or, if the filer is in default, the nature of the default;

(b) supporting materials; and

(c) a draft form of decision with terms, conditions, restrictions or requirements, including

(i) a representation stating that the filer and other relevant party are not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, the nature of the default; and

(ii) resale restrictions, if applicable, based on the securities legislation and securities directions of the principal jurisdiction.

(2) For a dual application, the filer should remit the fees payable under the securities legislation of the principal regulator and the OSC to each of them, as appropriate, and file the following materials with both the principal regulator and the OSC:

(a) a written application drafted in accordance with the procedures of the principal regulator as to format and content in which the filer:

(i) states the basis for identifying the principal regulator under section 3.6 of this policy,

(ii) identifies whether another application in connection with the same transaction or matter has been filed in one or more jurisdictions, the reasons for the application, and the principal regulator for that application,

(iii) sets out, for any related pre-filing, the information referred to in section 4.5 of this policy,

(iv) sets out, under separate headings, each provision of securities legislation listed in Appendix D of MI 11-102 below the name of the principal jurisdiction from which the filer and other relevant party seek an exemption, the relevant provisions of securities legislation in Ontario and an analysis of any differences between the applicable provisions in the principal jurisdiction and Ontario,

(v) gives notice of the non-principal passport jurisdictions for which section 4.7(1) of MI 11-102 is intended to be relied upon for each equivalent provision of the local jurisdiction,

(vi) sets out any request for confidentiality,

(vii) sets out any request to shorten the review period (see section 6.2(3) of this policy) or the opt-out period (see section 7.2(4) of this policy) and provides supporting reasons,

(viii) sets out references to previous decisions of the principal regulator or other regulators that would support granting the exemption, or indicates that the exemption sought is novel and has not been previously granted;

(ix) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application; and

(x) states that the filer and any relevant party are not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, the nature of the default;

(b) supporting materials; and

(c) a draft form of decision with terms, conditions, restrictions or requirements, including

(i) a representation stating that the filer and other relevant party are not in default of securities legislation in any jurisdiction or if the filer or relevant party is in default, the nature of the default; and

(ii) resale restrictions, if applicable, based on the securities legislation and securities directions of the principal jurisdiction.

(3) For a coordinated review application, the filer should remit the fees payable under the securities legislation of the principal regulator and each non-principal regulator from whom the filer or other relevant parties seek exemptive relief to each of them, as appropriate, and file the following materials with the principal regulator and each of the non-principal regulators:

(a) a written application drafted in accordance with the procedures of the principal regulator as to format and content in which the filer:

(i) states the basis for identifying the principal regulator section 3.6 of this policy,

(ii) identifies whether another application in connection with the same transaction or matter has been filed in one or more jurisdictions, the reasons for the application, and the principal regulator for that application,

(iii) sets out, for any related pre-filing, the information referred to in section 4.5 of this policy,

(iv) sets out, under separate headings, each provision of securities legislation in the principal jurisdiction from which the filer and other relevant party are seeking exemptive relief, the relevant provisions of securities legislation in each non-principal jurisdiction, and an analysis of any differences between the applicable provisions in the principal jurisdiction and each non-principal jurisdiction,

(v) sets out any request for confidentiality,

(vi) sets out any request to shorten the review period (see section 6.2(3) of this policy) or the opt-out period (see section 7.2(4) of this policy) and provides supporting reasons,

(vii) sets out references to previous decisions of the principal regulator or other regulators that would support granting the exemptive relief, or indicates that the exemptive relief sought is novel and has not been previously granted;

(viii) includes a verification statement that authorizes the filing of the application and confirms the truth of the facts in the application; and

(ix) states that the filer and any other relevant party are not in default of securities legislation in any jurisdiction or if the filer or other relevant party is in default, the nature of the default;

(b) supporting materials; and

(c) a draft form of decision with terms, conditions, restrictions or requirements, including

(i) a representation stating that the filer and any other relevant party are not in default of securities legislation in any jurisdiction or if the filer or other relevant party is in default, the nature of the default; and

(ii) resale restrictions, if applicable, based on the securities legislation and securities directions of the principal jurisdiction.

(4) For a hybrid application, the filer should pay the fees, file the application with each regulator and, for each type of application, set out the exemption or exemptive relief sought and submit the relevant information and materials, all as described in this section.

(5) A filer should file an application sufficiently in advance of any deadline to ensure that staff have a reasonable opportunity to complete the review and make recommendations for a decision.

(6) A filer making a passport application or a dual application should identify in the application all the exemptions required and give the required notice for all the passport jurisdictions for which section 4.7(1) of MI 11-102 is intended to be relied upon. The notice given under subsection (1)(a)(v) or (2)(a)(v) above satisfies the notice requirement of section 4.7(1)(c) of MI 11-102.

(7) A filer seeking exemptive relief in Québec should file a French language version of the draft decision when the AMF is acting as principal regulator.

5.3 Materials to be filed to make an exemption available in an additional passport jurisdiction under sections 4.7 and 4.8 of MI 11-102

(1) Under section 4.7(1) of MI 11-102, an exemption from a provision of securities legislation listed in Appendix D of that Instrument granted by the principal regulator under a passport application or dual application can become available in a non-principal passport jurisdiction for which the filer did not give the notice referred to in section 5.2(1)(a)(v) or 5.2(2)(a)(v) of this policy in the initial application if certain conditions are met. One of the conditions is that the filer give the notice under section 4.7(1)(c) of MI 11-102 for the additional non-principal passport jurisdiction.

(2) Under section 4.8(1) of MI 11-102, an exemption from a provision of securities legislation that is now listed in Appendix D of that Instrument and that was granted before March 17, 2008 by the regulator in a specified jurisdiction, as defined in that section, can also become available in a non-principal passport jurisdiction if certain conditions are met. One of the conditions is

that the filer gives the notice under section 4.8(1)(c) of MI 11-102 for the non-principal passport jurisdiction. Under section 4.8(3), the filer is not required to give this notice if the exemption relates to a CD requirement, as defined in Multilateral Instrument 11-101 *Principal Regulator System*, that is now listed in Appendix D of MI 11-102 and other conditions are met. For more guidance on section 4.8(1) of MI 11-102, refer to section 9.3 of this policy and section 4.5 of CP 11-102.

(3) For greater certainty, a filer may not rely on section 4.7 or 4.8 of MI 11-102 to obtain an automatic exemption from a provision of Ontario's securities legislation listed in Appendix D of MI 11-102. A filer may rely on section 4.7 and 4.8 of MI 11-102 only in a passport jurisdiction.

(4) The filer should give the notice referred to in subsection (1) to the principal regulator for the initial application and the notice referred to in subsection (2) to the regulator that would be the principal regulator under Part 4 of MI 11-102 if an application were to be made under that Part at the time the notice is given. The notice should

(a) list each relevant non-principal passport jurisdiction for which notice is given that section 4.7(1) or 4.8(1) of MI 11-102 is intended to be relied upon,

(b) include the date of the decision of

(i) the principal regulator for the initial application, if the notice is given under section 4.7(1)(c) of MI 11-102, or

(ii) the regulator of the specified jurisdiction that granted the application, if the notice is given under section 4.8(1)(c) of MI 11-102,

(c) include the citation for the regulator's decision,

(d) describe the exemption the regulator granted, and

(e) confirm that the exemption is still in effect.

(5) If an exemption sought in a passport application or a dual application is required in a non-principal jurisdiction at the time the filer files the application, but the filer does not give the notice required under section 4.7(1)(c) of MI 11-102 for that jurisdiction until after the principal regulator grants the exemption, the regulator of the non-principal passport jurisdiction will take appropriate action. This could include removing the exemption, in which case the filer would have an opportunity to be heard in that jurisdiction in appropriate circumstances.

(6) The regulator that receives the notice referred to in subsection (1) or (2) will send a copy of the notice and its decision to the regulator in the relevant non-principal passport jurisdiction.

5.4 Request for confidentiality

(1) A filer requesting that the regulators hold an application and supporting materials in confidence during the application review process should provide a substantive reason for the request in its application.

(2) If a filer is requesting that the regulators hold the application, supporting materials, or decision in confidence after the effective date of the decision, the filer should describe the request for confidentiality separately in its application, and pay any required fee:

(a) in the principal jurisdiction, if the filer is making a passport application,

(b) in the principal jurisdiction and in Ontario, if the filer is making a dual application, or

(c) in each jurisdiction, if the filer is making a coordinated review application.

(3) Any request for confidentiality should explain why the request is reasonable in the circumstances and not prejudicial to the public interest and when any decision granting confidentiality could expire.

(4) Communications on requests for confidentiality will normally take place by e-mail. If a filer is concerned with this practice, the filer may request in the application that all communications take place by facsimile or telephone.

5.5 Filing – A filer should send the application materials in paper together with the fees to

(a) the principal regulator, in the case of a passport application,

(b) the principal regulator and the OSC, in the case of a dual application, or

(c) each regulator from which the filer seeks exemptive relief, in the case of a coordinated review application.

The filer should also provide an electronic copy of the application materials, including the draft decision document, by e-mail or on CD ROM. Filing the application concurrently in all required jurisdictions will make it easier for the principal regulator and non-principal regulators, if applicable, to process the application expeditiously. In British Columbia, an electronic filing system is available for filing and tracking exemptive relief applications. Filers should file an application in British Columbia using that system instead of e-mail. Filers should file applications related to National Instrument 81-102 *Mutual Funds* on SEDAR.

Filers should send pre-filing and application materials by e-mail using the relevant address or addresses listed below:

British Columbia	www.bcsc.bc.ca (click on BCSC e-services and follow the steps)
Alberta	legalapplications@seccom.ab.ca
Saskatchewan	exemptions@sfsc.gov.sk.ca
Manitoba	exemptions.msc@gov.mb.ca
Ontario	applications@osc.gov.on.ca
Québec	Dispenses-Passeport@lautorite.qc.ca
New Brunswick	Passport-passeport@nbsc-cvmnb.ca
Nova Scotia	nsscexemptions@gov.ns.ca
Prince Edward Island	CCIS@gov.pe.ca
Newfoundland and Labrador	securitiesexemptions@gov.nl.ca
Yukon	Corporateaffairs@gov.yk.ca
Northwest Territories	SecuritiesRegistry@gov.nt.ca
Nunavut	legalregistries@gov.nu.ca

5.6 Incomplete or deficient material – If the filer's materials are deficient or incomplete, the principal regulator may ask the filer to file an amended application. This will likely delay the review of the application.

5.7 Acknowledgment of receipt of filing

(1) After the principal regulator receives a complete and adequate application, the principal regulator will send the filer an acknowledgment of receipt of the application. The principal regulator will send a copy of the acknowledgement to any other regulator with whom the filer has filed the application. The acknowledgement will identify the name, phone number, fax number and e-mail address of the individual reviewing the application.

(2) For a dual application, coordinated review application or hybrid application, the principal regulator will tell the filer, in the acknowledgement, the end date of the review period identified in section 6.2(3) of this policy.

5.8 Withdrawal or abandonment of application

(1) If a filer withdraws an application at any time during the process, the filer is responsible for notifying the principal regulator and any non-principal regulator with whom the filer filed the application and for providing an explanation of the withdrawal.

(2) If at any time during the review process, the principal regulator determines that a filer has abandoned an application, the principal regulator will notify the filer that it will mark the application as "abandoned". In that case, the principal regulator will close the file without further notice to the filer unless the filer provides acceptable reasons not to close the file in writing within 10 business days. If the filer does not, the principal regulator will notify the filer and any non-principal regulator with whom the filer filed the application that the principal regulator has closed the file.

PART 6 REVIEW OF MATERIALS

6.1 Review of passport application

(1) The principal regulator will review any passport application in accordance with its securities legislation and securities directions and based on its review procedures, analysis and considering previous decisions.

(2) The filer will deal only with the principal regulator, who will provide comments to and receive responses from the filer.

6.2 Review and processing of dual application or coordinated review application

(1) The principal regulator will review any dual application or coordinated review application in accordance with its securities legislation and securities directions, based on its review procedures, analysis and considering previous decisions. The principal regulator will consider any comments from a non-principal regulator with whom the filer filed the application. Please refer to section 5.2(2) of this policy for guidance on the non-principal regulator with whom a filer should file a dual application, and to section 5.2(3) for similar guidance for a coordinated review application.

(2) The filer will generally deal only with the principal regulator, who will be responsible for providing comments to the filer once it has considered the comments from the non-principal regulators and completed its own review. However, in exceptional circumstances, the principal regulator may refer the filer to a non-principal regulator with whom the filer has filed the application.

(3) A non-principal regulator with whom the filer has filed the application will have seven business days from receiving the acknowledgement referred to in section 5.7(1) of this policy to review the application. In exceptional circumstances, if the filer filed the dual application or coordinated review application concurrently in the non-principal jurisdictions and shows that it is necessary and reasonable in the circumstances for the application to receive immediate attention, the principal regulator may abridge the review period. A non-principal regulator that disagrees with abridging the review period may notify the filer and the principal regulator and request the filer to withdraw the application in that jurisdiction. In that case, the application will proceed as a local application without the need to file a new application and pay any additional related fees.

(4) Exceptional circumstances when the principal regulator may abridge the review period include:

(a) where exemptive relief is sought for a contested take-over bid and delay would prejudice the filer's position, and

(b) other situations in which the filer is responding to a critical event beyond its control and could not have applied for the exemptive relief earlier.

(5) Unless the filer provides compelling reasons as to why it did not start the application process sooner, the principal regulator will not consider the following circumstances as exceptional:

(a) the mailing of a management information circular for a scheduled meeting of security holders to consider a transaction,

(b) the filing of a prospectus where the receipt for the prospectus cannot evidence the exemptive relief,

(c) the closing of a transaction,

(d) the filing of a continuous disclosure document shortly before the date on which its filing is required, or

(e) other situations in which the deadline was known before filing the application and the filer could have filed the application earlier.

While staff will attempt to accommodate transaction timing where possible, filers planning time-sensitive transactions should build sufficient regulatory approval time into their transaction schedules.

The fact that a filer may consider an application as routine is not a compelling argument for requesting an abridgement.

(6) Filers should provide sufficient information in an application to enable staff to assess how quickly they should handle the application. For example, if the filer has committed to take certain steps by a specific date and needs to have staff's view or a decision by that date, the filer should explain why staff's view or the exemptive relief is required by the specific date and identify these time constraints in its application.

(7) A non-principal regulator with whom the filer has filed the dual application or coordinated review application will advise the principal regulator, before the expiration of the review period, of any substantive issues that, if left unresolved, would cause staff to recommend that the non-principal regulator opt out of the review. The principal regulator may assume that a non-principal regulator does not have comments on the application if the principal regulator does not receive them within the review period.

(8) A non-principal regulator with whom the filer has filed the dual application or coordinated review application will notify the filer and the principal regulator and request that the filer withdraw the application if staff of the non-principal regulator think that no exemptive relief is required under its securities legislation.

PART 7 DECISION-MAKING PROCESS

7.1 Passport application

(1) After completing the review process and after considering the recommendation of its staff, the principal regulator will determine whether to grant or deny the exemption a filer sought in a passport application.

(2) If the principal regulator is not prepared to grant the exemption a filer sought in its passport application based on the information before it, it will notify the filer accordingly.

(3) If a filer receives a notice under subsection (2) and this process is available in the principal jurisdiction, the filer may request the opportunity to appear before, and make submissions to, the principal regulator.

7.2 Dual application or coordinated review application

(1) After completing the review process and after considering the recommendation of its staff, the principal regulator will determine whether to grant or deny the exemption a filer sought in a dual application or the exemptive relief the filer sought in a coordinated review application and immediately circulate its decision to the non-principal regulators with whom the filer filed the application.

(2) Each non-principal regulator with whom the filer filed the dual application or coordinated review application will have five business days from receipt of the principal regulator's decision to confirm whether it has made the same decision and is opting in or is opting out of the dual review or coordinated review.

(3) If the non-principal regulator is silent, the principal regulator will consider that the non-principal regulator has opted out.

(4) If the filer shows that it is necessary and reasonable in the circumstances, the principal regulator may request, but cannot require, the non-principal regulators to abridge the opt-out period. In some circumstances, abridging the opt-out period may not be feasible. For example, in many jurisdictions, only a panel of the regulator that convenes according to a schedule can make some types of decisions.

(5) The principal regulator will not send the filer a decision for a dual application or coordinated review application before the earlier of

(a) the expiry of the opt-out period, or

(b) receipt from a non-principal regulator with whom the filer filed the application of the confirmation referred to in subsection (2).

(6) If the principal regulator is not prepared to grant the exemption a filer sought in its dual application or the exemptive relief the filer sought in its coordinated review application based on the information before it, it will notify the filer and all non-principal regulators with whom the filer filed the application.

(7) If a filer receives a notice under subsection (6) and this process is available in the principal jurisdiction, the filer may request the opportunity to appear before, and make submissions to, the principal regulator. The principal regulator may hold a hearing on its own, or jointly or concurrently with the non-principal regulators with whom the filer filed the application. After the hearing, the principal regulator will send a copy of the decision to the filer and all non-principal regulators with whom the filer filed the application.

(8) A non-principal regulator electing to opt out will notify the filer, the principal regulator and any other non-principal regulator with whom the filer filed the application and give its reasons for opting out. The filer may deal directly with the non-principal regulator to resolve outstanding issues and obtain a decision without having to file a new application or pay any additional related fees. If the filer and non-principal regulator resolve all outstanding issues, the non-principal regulator may opt back into the dual review or coordinated review by notifying the principal regulator and the other non-principal regulators with whom the filer filed the application within the opt-out period referred to in subsection (2).

PART 8 DECISION

8.1 Effect of decision made under passport application

(1) The decision of the principal regulator under a passport application to grant an exemption from a provision of securities legislation listed below the name of the principal jurisdiction in Appendix D of MI 11-102 is the decision of the principal regulator.

Under MI 11-102, a filer is automatically exempt from the equivalent provision of each notified passport jurisdiction as a result of the principal regulator for the application granting the exemption.

(2) Except in the circumstances described in section 5.3(1) or (2) of this policy, the exemption is effective in each notified passport jurisdiction on the date of the principal regulator's decision (even if the regulator in the notified passport jurisdiction is closed on that date). In the circumstances described in section 5.3(1) of this policy, the exemption is effective in the relevant non-principal passport jurisdiction on the date the filer gives the notice under section 4.7(1)(c) or 4.8(1)(c) of MI 11-102 for that jurisdiction (even if the regulator in that jurisdiction is closed on that date).

8.2 Effect of decision made under dual application

(1) The decision of the principal regulator under a dual application to grant an exemption from a provision of securities legislation listed below the name of the principal jurisdiction in Appendix D of MI 11-102 is the decision of the principal regulator. Under MI 11-102, a filer is automatically exempt from an equivalent provision of each notified passport jurisdiction as a result of the principal regulator for the application granting the exemption. The decision of the principal regulator under a dual application also evidences the OSC's decision, if the OSC has confirmed that it has made the same decision as the principal regulator.

(2) The principal regulator will not issue the decision until the earlier of

(a) the date that the OSC confirms that it has made the same decision as the principal regulator, or

(b) the date the opt-out period referred to in section 7.2(2) of this policy has expired.

8.3 Effect of decision made under coordinated review application

(1) The decision of the principal regulator under a coordinated review application to grant exemptive relief from a provision of securities legislation in the principal jurisdiction is the decision of the principal regulator and evidences the decision of each non-principal regulator that has confirmed that it has made the same decision as the principal regulator.

(2) The principal regulator will not issue the decision until the earlier of

(a) the date that the principal regulator has received confirmation from each non-principal regulator that it has made the same decision as the principal regulator, or

(b) the date the opt-out period referred to in section 7.2(2) of this policy has expired.

8.4 Listing non-principal jurisdictions

(1) For convenience, the decision of the principal regulator on a passport application or a dual application will refer to the notified passport jurisdictions, but it is the filer's responsibility to ensure that it gives the required notice for each jurisdiction for which section 4.7(1) of MI 11-102 is intended to be relied upon.

(2) The decision of the principal regulator on a dual application or a coordinated review application will contain wording that makes it clear that the decision evidences and sets out the decision of each non-principal regulator that has made the same decision as the principal regulator.

(3) For a coordinated review application for which Québec is not the principal jurisdiction, the AMF will issue a local decision concurrently with and in addition to the principal regulator's decision. The AMF decision will contain the same terms and conditions as the principal regulator's decision. No other local regulator will issue a local decision.

8.5 Form of decision

(1) Except as described in subsection (2), the decision will be in the form set out in:

(a) Annex A, for a passport application,

(b) Annex B, for a dual application,

(c) Annex C, for a coordinated review application, or

(d) Annex D, for a hybrid application.

(2) A principal regulator may issue a less formal decision where it is appropriate.

(3) If the decision is to deny the exemptive relief, the decision will set out reasons.

8.6 Issuance of decision – The principal regulator will send the decision to the filer and to all non-principal regulators.

PART 9 EFFECTIVE DATE AND TRANSITION

9.1 Effective date

This policy comes into effect on March 17, 2008.

9.2 Exemptive relief applications filed before March 17, 2008

The process set out in National Policy 12-201 *Mutual Reliance Review System for Exemptive Relief Applications* (MRRS) will continue to apply to an exemptive relief application and any related pre-filing filed in multiple jurisdictions before March 17, 2008.

9.3 Availability of passport for exemptions applied for before March 17, 2008

(1) Section 4.8(1) of MI 11-102 provides that an exemption from the equivalent provision is automatically available in the local jurisdiction if

(a) an application was made in a specified jurisdiction before March 17, 2008 for an exemption from a provision of securities legislation that is now listed in Appendix D of MI 11-102,

(b) the regulator in the specified jurisdiction granted the exemption before, on or after March 17, 2008, and

(c) certain other conditions are met, including giving the required notice for the additional non-principal passport jurisdiction; refer to section 5.3 of this policy for information on where to give the required notice and what information the notice should contain.

(2) A specified jurisdiction for purposes of section 4.8 of MI 11-102 is a principal jurisdiction under Multilateral Instrument 11-101 *Principal Regulator System*. Therefore, section 4.8(1) applies to an exemption from a CD requirement, as defined in Multilateral Instrument 11-101 *Principal Regulator System*, which the principal regulator under that Instrument granted to a reporting issuer before March 17, 2008 if the exemption relates to a CD requirement that is now listed in Appendix D of MI 11-102. In this case, however, section 4.8(3) exempts a reporting issuer from having to give the notice required in section 4.8(1)(c). Refer to section 4.5 of the CP 11-102 for guidance on the effect of section 4.8 of MI 11-102.

(3) For greater certainty, a filer may not rely on section 4.8 of MI 11-102 to obtain an automatic exemption from a provision of Ontario's securities legislation listed in Appendix D of MI 11-102. A filer may rely on section 4.8 of MI 11-102 only in a passport jurisdiction.

9.4 Revocation or variation of MRRS decisions made before March 17, 2008

(1) A filer that wants the regulators to revoke an MRRS decision made before March 17, 2008 should make a coordinated review application.

(2) A filer that wants the regulators to vary an MRRS decision made before March 17, 2008 should make a coordinated review application. However, in the case of an MRRS decision that gave exemptive relief from a provision set out in Appendix D of MI 11-102, the filer should instead request new relief by making a passport application or dual application and referencing the MRRS decision in the new application and the proposed decision document.

(3) If a filer makes a passport application or a dual application under subsection (2), the filer must give the notice required under section 4.7(1)(c) of MI 11-102 and meet the other conditions of that section for the principal regulator's decision to have effect automatically in a non-principal passport jurisdiction. A filer may give the notice in the application it files with the principal regulator.

Annex A

Form of decision for passport application

[Citation:**[neutral citation]** **[Date of decision]**]

In the Matter of
the Securities Legislation of
[name of principal jurisdiction] (the Jurisdiction)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
[name(s) of filer(s) and other relevant parties, including definitions as required] (the Filer(s))

Decision

Background

The principal regulator in the Jurisdiction has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for **[describe the exemption sought (the Exemption Sought) by referring to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

(a) the **[name of the principal regulator]** is the principal regulator for this application, and

(b) the Filer(s) has(have) provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in **[names of non-principal passport jurisdictions].**

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. **[Add additional definitions here.]**

Representations

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

[Insert material representations necessary to explain why the principal regulator came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the filer used to identify the principal regulator for the application. State that the filer and any other relevant party is not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, set out the nature of the default.]

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

[Insert numbered terms, conditions, restrictions or requirements. These should include references to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]

[If any exemption has an effective date after the date of the decision, state here.]

_____ **(Name of signatory for the principal regulator)**

_____ **(Title)**

_____ **(Name of principal regulator)**

(justify signature block)

Annex B

Form of decision for a dual application

[Citation:**[neutral citation]** **[Date of decision]**]

In the Matter of
the Securities Legislation of
[name of principal jurisdiction] and Ontario (the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
[name(s) of filer(s) and other relevant parties, including definitions as required] (the Filer(s))

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdictions (the Legislation) for **[describe the exemption sought (the Exemption Sought) by referring to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

(a) the **[name of the principal regulator]** is the principal regulator for this application,

(b) the Filer(s) has(have) provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in **[names of non-principal passport jurisdictions],** and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. **[Add additional definitions here.]**

Representations

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

[Insert material representations necessary to explain why the Decision Makers came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the filer used to identify the principal regulator for the application. State that the filer and any other relevant party is not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, set out the nature of the default.]

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

[Insert numbered terms, conditions, restrictions or requirements. These should include references to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]

[If any exemption has an effective date after the date of the decision, state here.]

_____ **(Name of signatory for the principal regulator)**

_____ **(Title)**

_____ **(Name of principal regulator)**

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Annex C

Form of decision for coordinated review application

[Citation:**[neutral citation]** **[Date of decision]**]

In the Matter of
the Securities Legislation of
[name of jurisdictions participating in decision] (the Jurisdictions)

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
[name(s) of filer(s) and other relevant parties, including definitions as required] (the Filer(s))

Decision

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdictions (the Legislation) for **[describe the exemptive relief sought (the Exemptive Relief Sought) in words (e.g., that the filer is not a reporting issuer). Do not use statutory references. Include defined terms as necessary.]**

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

(a) the **[name of the principal regulator]** is the principal regulator for this application, and

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined. **[Add additional definitions here.]**

Representations

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

[Insert material representations necessary to explain why the Decision Makers came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the filer used to identify the principal regulator for the application. State that the filer and any other relevant party is not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, set out the nature of the default. Do not use statutory references.]

Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

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

[Insert numbered terms, conditions, restrictions or requirements. These should be generic and without statutory references to the Legislation of the Jurisdictions.]

[If any exemptive relief has an effective date after the date of the decision, state here.]

_____ **(Name of signatory for the principal regulator)**

_____ **(Title)**

_____ **(Name of principal regulator)**

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Annex D

Form of decision for hybrid application

[Citation:**[neutral citation]** **[Date of decision]**]

In the Matter of
the Securities Legislation of

[name of principal jurisdiction (for a passport application),
or of principal jurisdiction and Ontario (for a dual application),
and name of each jurisdiction participating in coordinated review application decision]

and

In the Matter of
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of
[name(s) of filer(s) and other relevant parties,
including definitions as required,] (the Filer(s))

Decision

Background

[If you are making a passport application, insert:]
The securities regulatory authority or regulator in _____ has received an application from the Filer(s) for a decision under the securities legislation of the jurisdiction of the principal regulator (the Legislation) for **[describe the exemption sought (the Passport Exemption) by referring to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

OR

[If you are making a dual application, insert:]
The securities regulatory authority or regulator in _____ and Ontario (Dual Exemption Decision Makers) have received an application from the Filer(s) for a decision under the securities legislation of those jurisdictions (the Legislation) for **[describe the exemption sought (the Dual Exemption) by referring to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

AND

[For your coordinated review application, insert:]

The securities regulatory authority or regulator in each of _____ (the Jurisdictions) (Coordinated Exemptive Relief Decision Makers) has received an application from the Filer(s) for a decision under the securities legislation of the Jurisdictions (the Legislation) for **[describe the exemptive relief sought (the Coordinated Exemptive Relief) in words (e.g., that the filer is not a reporting issuer). Do not use statutory references. Include defined terms as necessary.]**

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a hybrid application):

(a) the **[name of the principal regulator]** is the principal regulator for this application,

(b) the Filer(s) has(ve) provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in **[names of non-principal passport jurisdictions]**,

(c) the decision is the decision of the principal regulator, **[if you are making a dual application, insert: "**and the decision evidences the decision of the securities regulatory authority or regulator in Ontario,**"]** and

(d) the decision evidences the decision of each Coordinated Exemptive Relief Decision Maker.

Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined. **[Add additional definitions here.]**

Representations

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

> **[Insert material representations necessary to explain why the Decision Makers came to this decision. Include the location of the Filer's head office and, if appropriate, the connecting factor the filer used to identify the principal regulator for the application. State that the filer and any other relevant party is not in default of securities legislation in any jurisdiction or, if the filer or other relevant party is in default, set out the nature of the default. Do not use statutory references.]**

Decision

Each of the principal regulator **[if you are making a dual application, insert: "**, the securities regulatory authority or regulator in Ontario,**"]** and the Coordinated Exemptive Relief Decision Makers is satisfied that the decision meets the test set out in the Legislation for the relevant regulator or securities regulatory authority to make the decision.

[If you are making a passport application, insert:]
The decision of the principal regulator under the Legislation is that the Passport Exemption is granted provided that:

> **[Insert numbered terms, conditions, restrictions or requirements. These should include references to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

OR

[If you are making a dual application, insert:]
The decision of the Dual Exemption Decision Makers under the Legislation is that the Dual Exemption is granted provided that:

> **[Insert numbered terms, conditions, restrictions or requirements. These should include references to the relevant requirement(s) or provision(s) listed in the first column of Appendix D to MI 11-102.]**

AND

[For your coordinated application, insert:]

The decision of the Coordinated Review Decision Makers under the Legislation is that the Coordinated Exemptive Relief is granted provided that:

[Insert numbered terms, conditions, restrictions or requirements. These should be generic and without statutory references to the Legislation of the Jurisdictions.]

> **[If any exemption or exemptive relief has an effective date after the date of the decision, state here.]**

_____ **(Name of signatory for the principal regulator)**

_____ **(Title)**

_____ **(Name of principal regulator)**
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Chapter 7

Insider Reporting

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

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

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
07/01/2008	1	Advantage Advisers Multi -Manager, L.L.C. - Common Shares	998,268.00	980,000.00
06/26/2008	27	Afri-Can Marine Minerals Corporation - Bonds	NA	4,509,923.00
06/26/2008	20	Afri-Can Marine Minerals Corporation - Bonds	NA	1,379,519.00
06/13/2008	1	Airesurf Networks Holdings Inc. - Common Shares	148,642.00	743,210.00
07/02/2008	1	Altus Group Income Fund - Trust Units	41,062,500.00	2,250,000.00
06/24/2008	14	Archangel Diamond Corporation - Receipts	13,358,876.00	10,518,800.00
06/12/2008	1	Ares Special Purpose Credit Opportunities Fund, L.P. - Limited Partnership Interest	25,580,000.00	25,000,000.00
06/25/2008	41	ASG Hallstone Drewy Limited Partnership - Limited Partnership Units	7,714,000.00	7,714.00
06/19/2008	1	Ashridge Business Centre - Common Shares	1,500,400.00	682,000.00
06/30/2008	1	Belvedere Capital Fund II-A L.P. - Limited Partnership Interest	5,064,500.00	1.00
06/11/2008	5	Bison Gold Exploration Inc. - Warrants	746,945.10	100,000.00
06/25/2008	33	Blackhawk Golf Club Limited Partnership - Limited Partnership Units	862,500.00	33.00
07/25/2007 to 08/03/2007	15	Blind Creek Resources Ltd. - Special Warrants	60,050.00	166,000.00
06/27/2008	22	Blind Creek Resources Ltd. - Special Warrants	3,300,000.55	4,605,129.00
06/30/2008	43	Brett Resources Inc. - Flow-Through Shares	1,211,600.00	1,816,917.00
06/30/2008	53	Brett Resources Inc. - Units	1,726,071.15	1,514,500.00
06/25/2008	1	Bridge Resources Corp. - Warrants	NA	4,000,000.00
06/17/2008	1	Bristow Group Inc. - Notes	514,700.00	500,000.00
04/02/2008	5	Business Propulsion Systems Inc. - Preferred Shares	2,520,000.00	1,250,000.00
06/27/2008	2	Caelus Re Limited - Common Shares	74,381.77	6,200.00
06/25/2008	1	Caelus Re Limited - Notes	2,558,250.00	2,500,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
06/16/2008	1	Campbell Resources Inc. - Flow-Through Shares	249,999.96	2,083,333.00
06/19/2008	1	Canadian Rockport Homes International, Inc - Units	10,000.00	2,000.00
06/30/2008	9	Canadian Royalties Inc. - Common Shares	6,084,702.00	2,028,234.00
06/25/2008	50	Canext Energy Ltd. - Common Shares	10,049,470.00	7,500,000.00
06/25/2008	50	Canext Energy Ltd. - Flow-Through Shares	10,049,475.00	4,262,600.00
06/26/2008	31	CareVest Blended Mortgage Investment Corporation - Preferred Shares	1,511,567.00	1,511,567.00
06/26/2008 to 06/30/2008	25	CareVest First Mortgage Investment Corporation - Preferred Shares	3,117,986.00	3,117,986.00
06/18/2008 to 06/27/2008	2	Carfinco Income Fund - Debentures	300,000.00	300,000.00
07/02/2008	9	Cash Minerals Ltd. - Units	2,000,000.00	5,600,000.00
06/26/2008	8	Celtic Minerals Ltd. - Flow-Through Shares	1,118,999.75	2,034,545.00
06/16/2008	11	Cenit Corporation - Debentures	400,000.00	400,000.00
06/30/2008 to 07/04/2008	13	CMC Markets Canada Inc. - Contracts for Differences	28,000.00	6.00
06/21/2008 to 06/27/2008	24	CMC Markets Canada Inc. - Contracts for Differences	86,500.00	24.00
06/26/2008	119	Contact Exploration Inc. - Units	11,511,500.00	17,710,000.00
06/10/2008	124	Cornerstone Capital Resources Inc. - Units	3,000,000.00	16,044,750.00
06/27/2008	21	Coronation Minerals Inc. - Flow-Through Units	1,999,959.84	8,137,000.00
06/26/2008	1	Credit Suisse Securities (Europe) Limited - Common Shares	NA	254,900.00
06/25/2008	2	Cricket Communications, Inc. - Notes	143,262,000.00	140,000,000.00
06/25/2008	87	Durango Capital Corp. - Flow-Through Units	1,745,000.00	6,980,000.00
06/25/2008	47	Durango Capital Corp. - Non-Flow Through Units	689,000.00	3,995,000.00
06/30/2008	68	egX Group Inc. - Units	1,319,997.00	8,799,982.00
06/24/2008	2	Energy Conversion Devices, Inc. - Common Shares	4,743,700.00	4,680,000.00
06/24/2008	1	Energy Conversion Devices, Inc. - Notes	1,013,600.00	1,000,000.00
06/19/2008	24	Enmax Corporation - Debentures	299,358,000.00	300,000.00
06/26/2008 to 06/27/2008	23	Exciton Technologies Inc. - Common Shares	754,899.50	1,509,799.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
07/04/2008 to 07/09/2008	37	Extreme Venture Partners Fund I LP - Limited Partnership Units	4,500,000.00	4,500.00
07/04/2008 to 07/09/2008	37	Extreme Venture Partners Fund I LP - Warrants	4,500,000.00	4,500.00
06/17/2008	1	Fifth Street Finance Corp. - Common Shares	5,087,294.80	350,000.00
06/25/2008	1	First Leaside Expansion Limited Partnership - Limited Partnership Interest	175,000.00	175,000.00
06/26/2008	2	First Leaside Fund - Trust Units	200,000.00	200,000.00
06/25/2008 to 06/26/2008	3	First Leaside Wealth Management Inc. - Notes	300,000.00	300,000.00
06/26/2008	1	First Leaside Wealth Management Inc. - Preferred Shares	293,500.00	293,500.00
05/07/2008 to 05/12/2008	1	Firstgold Corp. - Debentures	1,150,000.00	1,150,000.00
05/07/2008 to 05/12/2008	1	Firstgold Corp. - Units	300,000.00	461,538.00
06/27/2008	22	Galleria Opportunities Inc. - Units	500,000.00	3,448,276.00
06/23/2008	38	Galore Resources Inc. - Units	650,000.00	2,600,000.00
06/23/2008 to 06/27/2008	13	General Motors Acceptance Corporation of Canada, Limited - Notes	3,960,418.63	3,960,418.63
06/25/2008	3	GeoDigital International Inc. - Units	350,000.00	350,000.00
06/23/2008	1	GMO Developed World Equity Investment Fund PLC - Units	109,185.54	3,682.33
06/06/2008 to 06/17/2008	1	GMO International Core Equity Fund-III - Units	2,491,171.01	64,049.86
06/19/2008 to 06/27/2008	1	GMO International Core Equity Fund-III - Units	7,009,372.58	188,801.73
06/09/2008	1	GMO International Intrinsic Value Fund-II - Units	32,770.60	1,051.04
06/23/2008	1	GMO International Intrinsic Value Fund-II - Units	32,233.25	1,090.44
06/30/2008	1	GMO International Opportunities Equity Alloc Fund- III - Units	89,463.05	4,311.29
06/17/2008	1	GMO World Opportunities Equity Allocation Fund - Units	462,982.14	20,775.82
06/26/2008	1	Gold Eagle Mines Ltd. - Common Shares	50,000,001.10	5,524,862.00
06/27/2008	19	Goldsource Mines Inc. - Common Shares	18,001,000.00	1,532,000.00
06/25/2008	14	Graywood GTA Condominium Limited Partnership - Limited Partnership Units	43,000,000.00	4,300.00
06/27/2008	1	Greentree Gas & Oil Ltd. - Flow-Through Shares	800,000.00	4,848,485.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
06/27/2008	1	Halogen Software Inc. - Preferred Shares	15,184,634.36	6,366,723.00
06/26/2008	5	Hony Capital Fund 2008, L.P. - Limited Partnership Interest	114,943,600.00	114,943,600.00
06/25/2008 to 06/27/2008	20	IGW Real Estate Investment Trust - Trust Units	1,025,191.00	942,000.00
06/11/2008 to 06/12/2008	3	International Millennium Mining Corp. - Common Shares	34,200.00	180,000.00
04/29/2008	2	InterRent Real Estate Investment Trust - Trust Units	158,407.50	42,242.00
04/25/2008	3	Intrepid Potash, Inc. - Common Shares	214,663.68	30,000,000.00
06/24/2008	41	Jennerex, Inc. - Units	5,490,502.23	11,997,954.00
06/26/2008	68	KingSett Canadian Real Estate Income Fund LP - Units	20,840,000.00	20,840.00
06/30/2008	5	Kingwest Avenue Portfolio - Units	1,345,000.00	47,945,816.00
06/12/2008	23	Largo Resources Ltd. - Units	11,500,000.00	23,000,000.00
06/25/2008	1	Leap Wireless International Inc. - Notes	1,023,300.00	1,000,000.00
06/27/2008	7	Manicouagan Minerals Inc. - Common Shares	930,000.00	4,650,000.00
06/27/2008	120	Maxim Resources Inc. - Units	2,343,282.00	13,018,234.00
06/02/2008	1	MCAN Performance Strategies - Limited Partnership Units	1,000,000.00	7,638.25
06/26/2008	21	MedcomSoft Inc. - Common Shares	1,624,399.92	17,098,945.00
07/01/2008	1	Millennium International Ltd. - Preferred Shares	354,515.00	NA
06/11/2008	52	Mission Hills Capital Partners China Fund One Limited Partnership - Limited Partnership Units	7,045,000.00	140.90
06/26/2008	36	Mountain Capital Inc. - Common Shares	450,000.00	3,000,000.00
06/26/2008	36	Mountain Capital Inc. - Flow-Through Shares	450,000.00	2,400,000.00
06/26/2008	36	Mountain Capital Inc. - Non Flow-Through Shares	450,000.00	600,000.00
06/26/2008	36	Mountain Capital Inc. - Warrants	450,000.00	3,000,000.00
06/27/2008	1	Multimedia Nova Corporation - Common Shares	236,253.40	590,631.00
06/25/2008 to 07/02/2008	37	Nelson Financial Group Ltd. - Notes	1,519,000.00	37.00
06/25/2008	56	New Dimension Resources Ltd. - Flow-Through Shares	1,269,250.00	910,000.00
06/25/2008	53.15	New Dimension Resources Ltd. - Units	1,269,250.00	7,215,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
07/02/2008	6	New World RRSP Lenders Corp. - Bonds	95,000.00	95.00
06/18/2008 to 06/24/2008	10	Newport Canadian Equity Fund - Units	145,958.77	947.00
06/25/2008 to 06/30/2008	30	Newport Canadian Equity Fund - Units	723,650.00	4,713.52
06/20/2008	5	Newport Diversified Hedge Fund - Units	126,469.24	973,151.00
06/24/2008	50	Newport Fixed Income Fund - Units	1,393,795.34	13,729.00
06/26/2008 to 07/02/2008	14	Newport Fixed Income Fund - Units	857,369.36	8,422.75
06/18/2008 to 06/24/2008	15	Newport Global Equity Fund - Units	191,308.84	2,573.42
06/30/2008	29	Newport Global Equity Fund - Units	515,000.00	7,031.68
06/16/2008 to 06/24/2008	54	Newport Yield Fund - Units	695,032.57	5,640.83
06/25/2008 to 07/02/2008	70	Newport Yield Fund - Units	1,484,187.75	12,063.77
06/30/2008	17	Nordic Oil and Gas Ltd. - Units	2,500,000.00	4,166,667.00
06/25/2008	3	North Atlantic Resources Ltd. - Common Shares	1,059,999.90	3,533,333.00
06/25/2008	2	Onex Partners III LP - Limited Partnership Interest	253,375,000.00	250,000,000.00
06/30/2008	25	Pacific & Western Credit Corp. - Notes	21,883,000.00	21,883,000.00
06/30/2008	22	Paget Moly Corporation - Common Shares	1,009,500.00	1,670,000.00
06/25/2008	20	Paget Moly Corporation - Common Shares	530,000.00	62,000.00
05/30/2008	22	Paget Moly Corporation - Non Flow-Through Shares	1,009,500.00	2,368,000.00
06/25/2008	20	Paget Moly Corporation - Non Flow-Through Shares	530,000.00	1,500,000.00
06/20/2008	17	Petroworth Resources Inc. - Common Shares	6,080,070.40	4,193,152.00
06/20/2008	54	Petroworth Resources Inc. - Flow-Through Shares	3,936,356.80	2,460,223.00
06/23/2008 to 06/27/2008	13	Predator Drilling Inc. - Common Shares	7,114,500.00	7,294,500.00
06/23/2008 to 06/27/2008	13	Predator Drilling Inc. - Special Warrants	7,114,500.00	7,294,500.00
06/16/2008	1	Primus Capital Fund VI, LP - Limited Partnership Interest	100,000,000.00	100,000,000.00
06/30/2008	169	Probe Resources Ltd. - Units	27,360,000.00	53,850,000.00
06/17/2008	4	Republic of Indonesia - Bonds	4,054,400.00	2,038.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
06/26/2008	2	Rockport Mining Corp. - Units	1,250,000.00	757,575.00
06/27/2008	1	Room 307 Technologies Inc. - Debentures	1,000,000.00	1,000,000.00
06/17/2008 to 06/23/2008	13	Royal Bank of Canada - Notes	1,780,900.00	1,750.00
01/01/2002 to 12/31/2006	7	SciVest Aggressive Market Neutral Equity Fund - Units	2,695,048.00	26,818.00
01/01/2002 to 12/31/2006	4	SciVest Asia Pacific Ling Short Equity Fund - Units	1,458,747.00	14,663.00
01/01/2002 to 12/31/2006	6	SciVest Commodity Index Plus Fund - Units	823,100.00	8,235.00
01/01/2002 to 12/31/2006	93	SciVest Conservative Market Neutral Equity Fund - Units	7,816,542.00	79,348.19
01/01/2002 to 12/31/2006	419	SciVest Enhanced Market Neutral Equity Fund - Units	12,426,095.00	113,978.96
01/01/2002 to 12/31/2006	17	SciVest Global Long Short Form Equity Fund - Units	3,562,871.00	14,594.00
01/01/2002 to 12/31/2006	37	SciVest Global Multiple Strategies Fund - Units	969,863.00	9,699.00
01/01/2002 to 12/31/2006	5	SciVest Income Portfolio Plus Fund - Units	674,000.00	674,100.00
01/01/2002 to 12/31/2006	5	SciVest International Market Neutral Equity Fund - Units	14,755,100.00	2,233,821.00
01/01/2002 to 12/31/2006	946	SciVest Market Neutral Equity Fund - Units	61,455,068.00	597,542.01
01/01/2002 to 12/31/2006	60	SciVest Net Short Equity Fund - Units	13,976,320.00	135,879.00
01/01/2002 to 12/31/2006	8	SciVest Oil Sands Index Plus Fund - Units	625,200.00	7,199.00
01/01/2002 to 12/31/2006	30	SciVest US Equity Index Plus Fund - Units	2,063,400.00	20,112.00
06/20/2008 to 06/25/2008	63	Seven Generations Energy Ltd. - Common Shares	52,201,170.00	10,440,234.00
06/27/2008	5	Sidetrack Technologies Inc. - Debentures	215,000.00	215,000.00
06/27/2008	1	Sigma Dek Ltd. - Common Shares	10,000.00	20,000.00
06/30/2008	48	Skana Exploration Ltd. - Common Shares	16,500,000.00	5,500,000.00
06/26/2008	17	Skeena Resources Limited - Common Shares	1,031,500.00	4,126,000.00
06/17/2008	2	Sotheby's - Debentures	2,058,800.00	2,000,000.00
07/01/2008	1	Stacey Muirhead Limited Partnership - Limited Partnership Units	1,500,000.00	4,180.16
07/01/2008	1	Stacey Muirhead RSP Fund - Trust Units	1,070,531.80	105,885.27

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
06/16/2008	1	Tamerlane Ventures Inc. - Common Shares	2,000,000.00	2,500,000.00
06/25/2008	9	Taranis Resources Inc. - Options	750,000.10	78,141.00
06/25/2008	9	Taranis Resources Inc. - Units	750,000.10	1,630,435.00
06/30/2008	19	TD Capital Global Private Equity Investors (Canada) IV, LP - Limited Partnership Units	18,945,960.00	1,860.00
06/17/2008	5	The Jenex Corporation - Units	71,000.00	1,420,000.00
06/02/2008	102	The Westana Investment Trust - Trust Units	3,010,395.00	3,010,395.00
06/20/2008 to 06/23/2008	51	Thermal Energy International Inc. - Common Shares	14,999,999.96	68,181,818.00
06/23/2008	39	TLC Explorations Inc. - Units	602,000.00	602,000.00
06/20/2008 to 06/27/2008	4	Torch River Resources Ltd. - Common Shares	28,000.00	200,000.00
06/20/2008 to 06/27/2008	29	Torch River Resources Ltd. - Units	660,530.00	3,145,380.00
07/07/2008	21	Triple 8 Energy Ltd. - Units	740,000.00	2,000,000.00
06/10/2008	3	Truition Inc. - Debentures	998,677.10	1,001,322.60
06/10/2008	3	Truition Inc. - Preferred Shares	998,677.10	1,001,321.00
06/23/2008 to 07/02/2008	89	Ucore Uranium Inc. - Common Share Purchase Warrant	3,146,000.00	547,050.00
06/23/2008 to 07/02/2008	89	Ucore Uranium Inc. - Common Shares	3,146,000.00	270,140.00
06/23/2008 to 07/02/2008	89	Ucore Uranium Inc. - Units	3,146,000.00	7,865,000.00
05/31/2008	15	Vortaloptics, Inc. - Common Shares	268,292.04	475,541.00
06/26/2008	7	Walton AZ Picacho View 3 Investment Corporation - Common Shares	281,860.00	28,186.00
06/24/2008	166	Walton AZ Silver Reef 3 Investment Corporation - Common Shares	4,264,820.00	426,482.00
06/30/2008	55	Walton AZ Silver Reef 3 Investment Corporation - Common Shares	1,574,100.00	157,410.00
06/24/2008	14	Walton AZ Silver Reef Limited Partnership 3 - Limited Partnership Units	4,704,058.58	460,505.00
06/24/2008	19	Walton AZ Toltec Limited Partnership - Units	1,013,838.75	99,250.00
06/26/2008	22	Walton TX South Grayson Investment Corporation - Common Shares	355,100.00	35,510.00
06/26/2008	27	Walton TX South Grayson Limited Partnership - Units	997,996.68	97,862.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
06/11/2008 to 06/19/2008	3	Westboro Mortgage Investment Corp. - Preferred Shares	350,000.00	35,000.00
06/20/2008	22	Western Wind Energy Corp. - Special Warrants	18,000,030.00	6,315,000.00
06/04/2008	6	Wild Horse Farms & Bio Energy Corporation - Common Shares	1,450,125.00	1,933,500.00
06/04/2008	6	Wild Horse Farms & Bio Energy Corporation - Warrants	1,450,125.00	290,025.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Assiniboia Farmland Limited Partnership 4
Principal Regulator - Saskatchewan
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated July 9, 2008
NP 11-202 Receipt dated July 9, 2008
Offering Price and Description:
MAXIMUM: $* Class A Units and Maximum $* Class F Units
(Maximum *Class A LIMITED PARTNERSHIP UNITS and Maximum * Class F LIMITED PARTNERSHIP UNITS)
$25.00 per Unit. Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
Manulife Securities Incorporated
Canaccord Capital Corporation
Dundee Securities Corporation
Raymond James Ltd.
Research Capital Corporation
Promoter(s):
EAI Agriculture Development Corporation
Project #1268389

Issuer Name:
BE Resources Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated July 9, 2008
NP 11-202 Receipt dated July 10, 2008
Offering Price and Description:
$ * - * Shares
Price: $ * per Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
-
Project #1291055

Issuer Name:
Brookfield Renewable Power Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated July 10, 2008
NP 11-202 Receipt dated July 10, 2008
Offering Price and Description:
US $750,000,000.00
Debt Securities
(unsecured)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1291289

Issuer Name:
Deutsche Bank Aktiengesellschaft
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated July 15, 2008
NP 11-202 Receipt dated July 15, 2008
Offering Price and Description:
$2,000,000,000.00 Notes (Structured Notes)
Underwriter(s) or Distributor(s):
Deutsche Bank Securities Limited
Promoter(s):
-
Project #1287494

Issuer Name:
Doorway Capital Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated July 7, 2008
NP 11-202 Receipt dated July 10, 2008
Offering Price and Description:
$400,000.00 - 2,000,000 Common Shares
Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Leede Financial Markets Inc.
Promoter(s):
Peter Clausi
Project #1290990

Issuer Name:
Exchange Industrial Income Fund
Principal Regulator - Manitoba
Type and Date:
Preliminary Short Form Prospectus dated July 11, 2008
NP 11-202 Receipt dated July 11, 2008
Offering Price and Description:
5 Year *% Series E Subordinate Secured Debentures in the Minimum Aggregate Principal Amount of $5,000,000.00 (the "Minimum Offering") in the Maximum Aggregate Principal Amount of $10,000,000.00 (the "Maximum Offering")
Price - $1,000,000.00 per Debenture
Underwriter(s) or Distributor(s):
Wellington West Capital Inc.
Promoter(s):
-
Project #1291781

Issuer Name:
Marksmen Capital Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated July 8, 2008
NP 11-202 Receipt dated July 9, 2008
Offering Price and Description:
$200,200.00 - 1,430,000 Common Shares
Price: $0.14 per Common Shares
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Ewan Stewart Downie
Daniel Mechis
Project #1290578

Issuer Name:
Project Finance Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated July 7, 2008
NP 11-202 Receipt dated July 10, 2008
Offering Price and Description:
$200,000.00 -(2,000,000 Common Shares) Price - $0.10 per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
Cliff Grandison
Project #1291405

Issuer Name:
Sentry Select Balanced Fund
Sentry Select Canadian Energy Growth Fund
Sentry Select Canadian Income Fund
Sentry Select Diversified Total Return Fund
Sentry Select Dividend Fund
Sentry Select Global Small Cap Fund
Sentry Select Global Value Fund
Sentry Select Growth & Income Fund
Sentry Select Money Market Fund
Sentry Select Precious Metals Growth Fund
Sentry Select REIT Fund
Sentry Select Small Cap Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated July 10, 2008
NP 11-202 Receipt dated July 11, 2008
Offering Price and Description:
Series A, B, F and I Units
Underwriter(s) or Distributor(s):
Sentry Select Capital Corp.
NCE Financial Corporation
Sentry Select Capital Corp.
Promoter(s):
Sentry Select Capital Corp.
Project #1291432

Issuer Name:
Western Wind Energy Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated July 11, 2008
NP 11-202 Receipt dated July 14, 2008
Offering Price and Description:
$18,000,030.00 - 6,315,800 Common Shares and 3,157,900 Warrants Issuable Upon Conversion of 6,315,800 Special Warrants Price - $2.85 per Special Warrant
Underwriter(s) or Distributor(s):
Loewen Ondaatje McCutcheon Limited
Clarus Securities Inc.
Promoter(s):
Jeffrey J. Ciachurski
Project #1291957

Issuer Name:
Whitemud Resources Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated July 9, 2008
NP 11-202 Receipt dated July 9, 2008
Offering Price and Description:
$15,001,000.00 - 2,143,000 Common Shares issuable upon the exercise of Special Warrants
Price: $7.00 per Special Warrant
Underwriter(s) or Distributor(s):
Thomas Weisel Partners Canada Inc.
Dundee Securities Corporation
Promoter(s):
Kelly Babichuk
Burl N. Aycock
Kevin Graham
Robin Phinney
Project #1290956

Issuer Name:
Advanced Folio Fund
Aggressive Folio Fund
Balanced Folio Fund
Conservative Folio Fund
GWLIM Canadian Growth Fund
GWLIM Corporate Bond Fund
GWLIM North American Mid Cap Fund
London Capital Canadian Bond Fund
London Capital Canadian Diversified Equity Fund
London Capital Canadian Dividend Fund
London Capital Global Real Estate Fund
London Capital Income Plus Fund
London Capital U.S. Value Fund
Mackenzie Focus Canada Fund
Mackenzie Focus Far East Class
Mackenzie Ivy European Class
Mackenzie Maxxum Canadian Balanced Fund
Mackenzie Maxxum Canadian Equity Growth Fund
Mackenzie Maxxum Dividend Fund
Mackenzie Universal American Growth Class
Mackenzie Universal Canadian Resource Fund
Mackenzie Universal Emerging Markets Class
Mackenzie Universal Global Growth Fund
Mackenzie Universal Precious Metals Fund
Mackenzie Universal U.S. Growth Leaders Fund
Moderate Folio Fund
Quadrus AIM Canadian Equity Growth Fund
Quadrus Canadian Equity Corporate Class
Quadrus Cash Management Corporate Class
Quadrus Eaton Vance U.S. Value Corporate Class
Quadrus Fixed Income Corporate Class
Quadrus Fixed Income Fund
Quadrus Laketon Fixed Income Fund
Quadrus Money Market Fund
Quadrus North American Specialty Corporate Class
Quadrus Setanta Global Dividend Corporate Class
Quadrus Sionna Canadian Value Corporate Class
Quadrus Templeton International Equity Fund
Quadrus Trimark Global Equity Fund
Quadrus U.S. and International Equity Corporate Class
Quadrus U.S. and International Specialty Corporate Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated July 8, 2008
NP 11-202 Receipt dated July 11, 2008
Offering Price and Description:
Quadrus Series, H Series, N Series, D5 Series, D8 Series and Premium Series @ Net Asset Value
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Quadrus Investment Services Ltd.
Quadrus Investment Services Inc.
none
Promoter(s):
MacKenzie Financial Corporation
Project #1278899

Issuer Name:
Allon Therapeutics Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated July 9, 2008
NP 11-202 Receipt dated July 10, 2008
Offering Price and Description:
$20,002,500.00 - 19,050,000 Common Shares
$1.05 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Canaccord Capital Corporation
Cormark Securities Inc.
Promoter(s):
-
Project #1287729

Issuer Name:
Apollo Gold Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated July 9, 2008
NP 11-202 Receipt dated July 10, 2008
Offering Price and Description:
Minimum - $20,000,000.00; Maximum -$40,000,000.00 - Minimum – 40,000,000 Units; Maximum – 80,000,000 Units
$0.50 per Unit
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Blackmont Capital Inc.
Promoter(s):
-
Project #1265502

Issuer Name:
Avion Resources Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated July 14, 2008
NP 11-202 Receipt dated July 15, 2008
Offering Price and Description:
$30,050,000.00 - 60,100,000 Common Shares and 30,050,000 Warrants
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Cormark Securities Inc.
Macquarie Capital Markets Canada Ltd.
PI Financial Corp.
Promoter(s):
-
Project #1289625

Issuer Name:
Bear Creek Mining Corporation
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated July 10, 2008
NP 11-202 Receipt dated July 10, 2008
Offering Price and Description:
$21,547,500.00 - 4,225,000 Units Price: $5.10 per Unit
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Canaccord Capital Corporation
Paradigm Capital Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #1286797

Issuer Name:
Chrysalis Capital VII Corporation
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated July 10, 2008
NP 11-202 Receipt dated July 11, 2008
Offering Price and Description:
$200,000.00 or 1,000,000 Common Shares - PRICE: $0.20 per Common Share Agent's Option (as defined herein) Incentive Stock Options (as defined herein) Charitable Stock Options (as defined herein)
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Marc Lavine
Robert Munro
Project #1277380

Issuer Name:
Cleanfield Alternative Energy Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated July 8, 2008
NP 11-202 Receipt dated July 9, 2008
Offering Price and Description:
$1,000,000.00 Minimum - $2,000,000.00 Maximum - $1,000,000.00 Minimum - $1,500,000.00 Maximum of 12% Senior Secured Convertible Redeemable Debentures, Series B and $500,000 Maximum (625,000) of Common Shares
$0.80 per share
Underwriter(s) or Distributor(s):
Wolverton Securities Ltd.
Promoter(s):
-
Project #1282426

Issuer Name:
Credential Enrich Canadian Equity Pool
Credential Enrich Income Pool
Credential Enrich International Equity Pool
Credential Enrich US Equity Pool
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated July 4, 2008
NP 11-202 Receipt dated July 14, 2008
Offering Price and Description:
Class A and Class B Units
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Promoter(s):
-
Project #1279723

Issuer Name:
DELPHI ENERGY CORP.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated July 11, 2008
NP 11-202 Receipt dated July 11, 2008
Offering Price and Description:
$30,002,600.00 - 6,316,000 Common Shares 3,530,000 Flow-Through Common Shares
Price: $2.85 per Offered Share $3.40 per Flow-Through Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Macquarie Capital Markets Canada Ltd.
Dundee Securities Corporation
GMP Securities L.P.
Scotia Capita Inc.
Acumen Capital Finance Partners Limited
Genuity Capital Markets
Maison Placements Canada Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #1289366

Issuer Name:
Equitable Group Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated July 9, 2008
NP 11-202 Receipt dated July 9, 2008
Offering Price and Description:
$34,400,000.00 - 1,600,000 Common Shares Price: $21.50 per Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Cormark Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Clarus Securities Inc.
Promoter(s):
-
Project #1287864

Issuer Name:
James Bay Resources Limited
Type and Date:
Final Prospectus dated July 14, 2008
Receipted on July 14, 2008
Offering Price and Description:
$10,000,000.00 - 8,000,000 Units comprised of Common Shares and Common Share Purchase Warrants
Price: $1.25 per Unit
Underwriter(s) or Distributor(s):
IBK Capital Corp.
Promoter(s):
Stephen Shefsky
Linear Capital Corp.
Linear Capital USA, LLC
Project #1270679

Issuer Name:
Manulife Mawer Tax-Managed Growth Fund (formerly Manulife Tax-Managed Growth Fund)
Manulife Mawer World Investment Class (formerly Manulife World Investment Class)
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated June 27, 2008 to Final Simplified Prospectuses and Annual Information Form dated August 24, 2007
NP 11-202 Receipt dated July 10, 2008
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Elliott & Page Limited
Elliott & Page Limited
MFC Global Investment Management, a division of Elliott & Page Limited
Promoter(s):
Elliott & Page Limited
Project #1129207

Issuer Name:
Mavrix Asia Pacific Fund
Mavrix Dividend & Income Fund
Mavrix Explorer Fund
Mavrix Global Enterprise Fund
Mavrix Global Fund
Mavrix Growth Fund
Mavrix Balanced Monthly Pay Fund
Mavrix Money Market Fund
Mavrix Multi Series Fund Ltd. - Canadian Equity Series
Mavrix Multi Series Fund Ltd. - Explorer Series
Mavrix Multi Series Fund Ltd. - Global Enterprise Series
Mavrix Multi Series Fund Ltd. - Growth Series
Mavrix Multi Series Fund Ltd. - Income Series
Mavrix Multi Series Fund Ltd. - Short Term Income Series
Mavrix Sierra Equity Fund
Mavrix Small Companies Fund
Mavrix Strategic Bond Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated July 7, 2008
NP 11-202 Receipt dated July 9, 2008
Offering Price and Description:
Mutual fund securities at net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mavrix Fund Management Inc.
Project #1275502

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Harding, Loevner Management, L.P. To: Harding Loevner L.P.	International Adviser (Investment Counsel & Portfolio Manager)	July 1, 2008
Change of Name	From: Berkshire Securities Inc./Valeurs Mobilieres Berkshire Inc., To: Manulife Securities Incorporated/Placements Manuvie Incorporée	Investment Dealer	July 2, 2008
Change of Category	Alchemy Capital Inc.	From: investment counsel & portfolio manager To: limited market dealer & investment counsel & portfolio manager	July 9, 2008
Change of Category	NYLIFE Distributors LLC	From: International Dealer To: Limited Market Dealer, International Dealer	July 9, 2008
New Registration	Troon North Capital Inc.	Investment Counsel & Portfolio Manager	July 15, 2008

Type	Company	Category of Registration	Effective Date
Change of Category	Tetrem Capital Management Ltd.	From: Investment Counsel & Portfolio Manager To: Limited Market Dealer, Investment Counsel & Portfolio Manager	July 16, 2008

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Sets Date for Leo Alexander O'Brien and David Baxter Snow Hearing in St. John's, Newfoundland

NEWS RELEASE
For immediate release

MFDA SETS DATE FOR LEO ALEXANDER O'BRIEN AND DAVID BAXTER SNOW HEARING IN ST. JOHN'S, NEWFOUNDLAND

July 10, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Leo O'Brien and David Snow by Notice of Hearing dated May 15, 2008.

As specified in the Notice of Hearing, the first appearance in this proceeding took place today at 11:00 a.m. (Newfoundland) before a 3-member Hearing Panel of the MFDA Atlantic Regional Council.

The commencement of the hearing of this matter on the merits has been scheduled to take place before a Hearing Panel of the Atlantic Regional Council on Wednesday, September 24, 2008 at 10:00 a.m. (Newfoundland) in the Hearing Room located at the Fairmont Hotel, 115 Cavendish Square, St. John's, Newfoundland, or as soon thereafter as the hearing can be held.

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

A copy of the Notice of Hearing is available on the MFDA web site at www.mfda.ca.

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

For further information, please contact:
Yvette MacDougall
Hearings Coordinator
(416) 943-4606 or ymacdougall@mfda.ca

13.1.2 MFDA Issues Notice of Hearing Regarding Kevin Desbois

NEWS RELEASE
For immediate release

MFDA ISSUES NOTICE OF HEARING REGARDING KEVIN DESBOIS

July 10, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against Kevin Desbois.

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

> Allegation #1: Commencing on or about March 21, 2007, the Respondent has failed to respond to a request from MFDA Staff to provide a written statement concerning his termination by the Member, contrary to section 22.1 of MFDA By-law No. 1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Central Regional Council in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario on Thursday, September 25, 2008 at 10:00 a.m. (Eastern) or as soon thereafter as can be held.

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

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

A copy of the Notice of Hearing is available on the MFDA website at www.mfda.ca.

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

13.1.3 TSX Inc. Notice - Approval of Amendments to the Rules of the Toronto Stock Exchange (Exchange) to Accept Bypass Orders

TSX INC. NOTICE

APPROVAL OF AMENDMENTS TO THE RULES OF THE TORONTO STOCK EXCHANGE (EXCHANGE) TO ACCEPT BYPASS ORDERS

Introduction

In accordance with the Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals between the Ontario Securities Commission (OSC) and Toronto Stock Exchange (Protocol), TSX Inc. (TSX) has adopted and the OSC has approved certain amendments (Amendments) to the provisions in the Rules of the Toronto Stock Exchange (Rule Book). The Amendments will become effective on a future date to be determined by the Exchange.

Purpose

The Amendments reflect the manner in which the Exchange will automate the bypass order function which was recently brought into the Universal Market Integrity Rules (UMIR Amendments). The Amendments incorporate the definitions “Bypass Order” and “Designated Trade” which were introduced in the UMIR Amendments. They allow a Participating Organization (PO) to enter orders on the Exchange using a bypass order marker that will ensure that the PO’s order will only execute against the visible portion of orders on the Exchange. This will allow POs to fulfil their “best price” obligations while giving standing only to the visible portion of orders on the Exchange. The Amendments also allow a PO to execute certain qualifying intentional crosses and prearranged trades outside of the best bid or best ask price posted on the Exchange. These qualifying trades, known as Designated Trades in UMIR, are executed within an acceptable range of the best bid/ask price for the security, as set out in the UMIR Amendments.

The Amendments also repeal the wide distribution rules. The wide distribution rules are no longer necessary as a result of the UMIR Amendments because the combination of Bypass Orders and Designated Trades essentially duplicates the functionality currently provided through the wide distribution mechanism. The distinction is that, while all better priced orders are able to participate in a wide distribution, only visible orders will execute against a Bypass Order that executes prior to a Designated Trade. TSX believes that the repeal of the wide distribution rule is not material.

Non-Public Interest Rule

The Amendments are not considered to be a “public interest” rule. The Amendments change the Exchange’s order allocation algorithm in order to reflect the UMIR Amendments. The Amendments must be made in order for the Exchange to automate functionality that will be UMIR compliant.

The portion of the Amendments that repeal the wide distribution rule are also predicated on the UMIR Amendments because the Designated Trade functionality will render the wide distribution mechanism obsolete. As set out on page 15 of Market Regulation Services Inc.’s May 16, 2008 Market Integrity Notice No. 2008-008 Provisions Respecting “Off-Marketplace” Trades, one of the principal impacts of the UMIR Amendments is to: “eliminate the need for ‘wide distributions’ as provided for in the rules of TSX or similar provisions of other marketplaces”.

Amendments

The Amendments are provided in Appendix A.

Timing

Because the Amendments are not considered to be a public interest rule, in accordance with the Protocol the Amendments were deemed to be approved by the OSC at the time TSX filed its Amendments submission on July 4, 2008. The Amendments will become effective on a future date to be determined by the Exchange, after the Exchange provides advanced notice to the public.

APPENDIX A

RULES (AS AT ~~DECEMBER 14, 2007~~• , 2008)	POLICIES
PART 1 – INTERPRETATION **1-101 Definitions (Amended)** (1) In all Exchange Requirements, unless the subject matter or context otherwise requires: *****	
(2) In all Exchange Requirements, unless the subject matter or context otherwise requires: ***** **"Bypass Order"** is as defined in UMIR. **Added (•, 2008)** ***** **"Designated Trade"** is as defined in UMIR. **Added (•, 2008)** *****	
PART 4 – TRADING OF LISTED SECURITIES ***** **4-103 Wide Distributions (Repealed)** ~~(1) Definitions~~ ~~In this Rule:~~ ~~**"distributing Participating Organization**" means the Participating Organization or Participating Organizations making a wide distribution but does not include Participating Organizations participating in the distribution under Rule 4-103(4)(d).~~ ~~**"distribution period"** means the period of time until a wide distribution is completely sold, but shall not exceed the end of the second trading session after the session in which the distribution was announced.~~ ~~**"distribution price"** means the price at which shares are to be sold under a wide distribution.~~ ~~**"qualified bid**" means a bid that was on the Exchange or on any other Canadian exchange, at the commencement of the distribution period at a price that is at or above the distribution price.~~ ~~**"qualified order"** means an order having a value of at least $25,000,000.~~ ~~**"wide distribution"** means a series of distribution principal	~~**4-103 Wide Distributions (Amended)**~~ ~~Introduction — In order to facilitate the distribution of listed securities to a broad spectrum of investors, Rule 4-103 permits a Participating Organization (or a group of Participating Organizations) having a position regardless of how it was to effect a wide distribution off the Exchange. The essential requirements of a wide distribution are:~~ ~~(a) distribution to 25 or more accounts, no one of which is to receive more than 50% of the amount distributed;~~ ~~(b) timely public announcement of the wide distribution;~~ ~~(c) completion of the wide distribution by the end of the fourth trading Session after the Session in which the Distribution is announced; and~~ ~~(d) inclusion of the already-committed orders of other Participating Organizations.~~ ~~These procedures are designed to facilitate distributions that are neither sales from control nor trades that require delivery of a prospectus under the *Securities Act*. Trades that require delivery of a prospectus may be made off the~~ ~~Exchange pursuant to the exemption in Rule 4-102(1)(k). Large distributions that are sales from a control block may be effected by a distribution pursuant to Policy 4-305.~~ ~~Purpose — The wide distribution procedure is an exception~~

RULES (AS AT ~~DECEMBER 14, 2007~~• , 2008)	POLICIES
~~trades to not less than 25 separate and unrelated client accounts, no one of which participates to the extent of more than 50% of the total value of the distribution.~~ ~~(2) Qualification for Wide Distribution~~ ~~A Participating Organization having a qualified order and intending to effect a wide distribution may take that order into its account by making an off-Exchange principal trade for the purpose of immediately effecting a wide distribution.~~ ~~(3) Distribution from Inventory~~ ~~A Participating Organization may make a wide distribution of securities previously acquired by that Participating Organization and held in inventory, provided that the securities to be distributed have an aggregate value of at least $25,000,000.~~ ~~(4) Wide Distribution~~ ~~A Participating Organization may undertake a wide distribution off the Exchange only in compliance with the following provisions:~~ ~~(a) the prior consent of the Exchange to the distribution and any off-Exchange take-on trade must be obtained;~~ ~~(b) all qualified bids above the distribution price shall be filled at the distribution price;~~ ~~(c) qualified bids at the distribution price shall be filled at the distribution price, provided that the distributing Participating Organization need fill the bids only to the extent that 20% of the total shares to be distributed are sold to all qualified bids;~~ ~~(d) shares may be made available for distribution to other Participating Organizations at the distribution price, provided that all bids at the distribution price are filled;~~ ~~(e) the sales to the qualified bids shall be on-Exchange trades at the distribution price;~~ ~~(f) Participating Organizations purchasing shares pursuant to sales to qualified bids or in any off-Exchange distribution shall give priority to orders for the accounts of clients in accordance with Rule 4-501;~~ ~~(g) the transactions of the distributing Participating Organization on the Exchange during the distribution period are subject to Rule 4-303; and~~ ~~(h) at the end of the distribution period, the privilege of making distribution principal trades shall terminate.~~ ~~(5) Exemption from Records Requirements~~ ~~During a distribution period, the distributing Participating Organization is exempt from the provisions of Rule 2-404 with~~	~~to the general rule that listed securities must be traded on the Exchange, and the rule has been written to parallel the procedure for a prospectus distribution as closely as possible. It is designated to facilitate Participating Organizations that have acquired a large block of stock in inventory and wish to distribute it to a number of clients at a fixed price. Because this procedure is an exception to the general rule that Participating Organizations must trade on the Exchange, it is considered conduct unbecoming of a Participating Organization to acquire a qualified order off the Exchange with no intention to immediately make a wide distribution. Such trades are to be made on the Exchange pursuant to Rule 4-101.~~ ~~To restrict the period during which special privileges are available, the distribution period should be limited to the minimum time necessary for a distributing Participating Organization to complete a well-organized distribution – in any case, the distribution period is to be no longer than until the end of the Second Session after the Session in which the distribution is announced.~~ ~~Joint Distributing Participating Organizations — A Participating Organization may make a wide distribution jointly with other Participating Organizations. If this is the case, the Regulatory and Market Policy Division must be informed of the identity of all Participating Organizations making the distribution. All of the Participating Organizations will be considered "distributing Participating Organizations" for the purpose of the Rule and this Policy.~~ ~~Special Source Of Positions Of Qualified Stock — In addition to the usual ways of acquiring a block of securities (accumulation on the Exchange, outside of Canada, conversion of debentures, preferred shares or warrants, etc.), Rule 4-103 provides a Participating Organization with the ability to purchase off the Exchange a block of securities equal in size to a qualified order in that security for the express purpose of making a wide distribution off the Exchange. The definition of a qualified order is in Rule 4-103(1).~~ ~~Timing of Sales Effort in a Wide Distribution — Regardless of whether the stock is being purchased in an off-Exchange take-on trade or has been acquired in some other manner, it is understood that prior to making all details firm the trading department may have conferred with salesmen and had some calls made to potential buyers in order to assess the probabilities of a successful distribution, and to set the price of the deal. However, firm sales may not be made until the announcement by the Exchange of the distribution.~~ ~~Announcing the Distribution - Timing and Form — The Regulatory and Market Policy Division of the Exchange must be consulted in advance of any proposed wide distribution or off-Exchange take-on trade. It will prepare the Official announcement of the wide distribution to notify the Participating Organizations and the public of the deal. Normally, a wide distribution will take place at the close of trading. Immediately following the close, the Exchange will announce the distribution in substantially the following form:~~

RULES (AS AT ~~DECEMBER 14, 2007~~• , 2008)	POLICIES
~~respect to the listed securities subject to the distribution.~~ **Repealed (•, 2008)**	~~"(Participating Organization) *has undertaken a Rule 4-103 wide distribution of* (number of shares) *of* (security) *at* (distribution price) *net. Bids that exist on any Canadian stock exchange above* (distribution price) *shall be filled at* (distribution price). *Bids at the distribution price shall be filled to a maximum of X shares." "A selling group letter has been distributed by* (Participating Organization). *Purchase orders must be submitted to* (contact) *before* (time)."~~ ~~The announcement may contain other information if necessary. At the request of the distributing Participating Organization, the Exchange may make a pre-announcement that particulars of a wide distribution will be announced at the close. The identity of the stock to be distributed will not be revealed in a pre-announcement unless the distributing Participating Organization so requests.~~ ~~The taping of the announcement denotes the beginning of the distribution period, i.e., the period during which the distributing Participating Organization is entitled to certain privileges, e.g., the ability to unwind by off-Exchange transactions with its own clients and to be exempt from certain trading restrictions which generally apply. The privileges are not available until after the announcement has been made. In certain cases (and only if the security to be distributed is not traded on a United States securities market) the Exchange may permit a distribution to be made during the trading day. Because this will require the stock to be halted to announce the delay (and to determine whether qualified bidders wish to be filled), this will only be permitted in circumstances where the distributing Participating Organization can demonstrate that it would not be feasible to wait until the close.~~ ~~For any security, a Participating Organization may make a distribution at the opening.~~ ~~Qualified Bids — At the announcement of the distribution, the market in the security shall be halted. All bids above the distribution price on the Exchange shall be filled at the distribution price. Bids at the distribution price shall be filled; however, the distributing Participating Organization is only required to fill qualified bids at the distribution price until 20% of the distribution has been sold on the Exchange. This means that, of the total distribution, at least 20% must be made available to qualified bids and the Market Maker. However, all qualified bids above the distribution price must be filled, even if this represents more than 20% of the distribution. The distributing Participating Organization may increase the distribution price at any time before the Exchange announces the distribution.~~ ~~In addition to the qualified bids, a minimum of 10 times the Minimum Guaranteed Fill for the stock shall be made available to the Market Maker to enable the Market Maker to perform market making responsibilities, except as noted below. Less stock may be made available if the stock to be sold the Market Maker, when combined with the qualified bids that are filled, exceeds 20% of the distribution (in~~

RULES (AS AT ~~DECEMBER 14, 2007~~ , 2008)	POLICIES
	~~which case, stock only need be provided up to the 20% threshold). For example, a Participating Organization wishes to distribute 625,000 shares of ABC Co. at $40 (20% is 125,000 shares). At the time the distribution is announced, the following bids are on the Exchange at the close:~~ ~~22,500 40.20~~ ~~22,500 40.15~~ ~~25,000 40.10~~ ~~20,000 40.05~~ ~~15,000 40.00~~ ~~90,000 shares are required to fill qualified bids at above the distribution price.~~ ~~Assuming an MGF of 1099 on the stock, a total of 20,000 shares are to be made available to the Market Maker. This, added together to the 15,000 shares bid at the distribution price, would bring the total amount required to fill all qualified bids to 125,000 shares, or more than 20% of the total. Only 35,000 shares would be required to be made available to the qualified bids and to the Market Maker, and these would be allocated on an equal basis.~~ ~~If, in this example, the distributing Participating Organization wished to bring other Participating Organizations into the distribution to assist in selling, it would have to fill all bids at $40.~~ ~~Acceptance of shares by qualified bidders is not mandatory.~~ ~~*Note: The above paragraphs refer to entitlement of bidders on the Exchange to participation. If a distributing Participating Organization wishes to include other Participating Organizations at the same price after announcement of the distribution but before the end of the distribution period, such inclusion is not contrary to these rules, provided that all qualified bids at the distribution price have been filled and stock made available to the Market Maker. Equally, the distributing Participating Organization may take back any unsold shares or unwanted shares. Such flexibility is to emulate the practices used in underwritten distributions.*~~ ~~**Amended (July 23, 2004)**~~ ~~Settlement Participating Organizations representing qualified bids will confirm to their clients at the distribution price (with any commission), and will disclose on the confirmation that the shares were obtained pursuant to a wide distribution under Rule 4-103. Settlement of distribution principal transactions shall be over the counter. The confirmation shall state that the shares were sold pursuant to a distribution principal transaction under Rule 4-103.~~ ~~Market Activity in Connection with the Announcement and Distribution Period~~ ~~(a) Price limitation on bids and purchases during~~

RULES (AS AT ~~DECEMBER 14, 2007~~• , 2008)	POLICIES
	~~distribution period — In trading after the commencement of a distribution, the distributing Participating Organization is permitted to fill any bid vacuum which was created by filling the qualified bids. In doing this it is permitted to make bids no higher than the distribution price. In addition, purchase transactions and bids in the market by a distributing Participating Organization are restricted by Rule 4-303. Until completion of the wide distribution, a distributing Participating Organization is not permitted to bid above the distribution price even on behalf of an unsolicited client order. The Participating Organization may not hold client buy orders in order to fill them at a higher price following the distribution, but must sell to the client at the distribution price.~~ ~~(b) Trading privileges to support a wide distribution – During the distribution period the distributing Participating Organization can act with discretion on the Exchange for purposes of maintaining an orderly market in the stock during the wide distribution.~~ ~~Over Allotment — Over-allotment of up to 10% of the amount announced for distribution is permitted; thus, if 600,000 shares were announced for distribution, a distributing Participating Organization could sell a total of 660,000 shares through off-Exchange distribution principal trades and qualified bids combined in order to permit a cushion against which to accept cancellations to offset shares purchased from its own clients during the distribution period and to assist with providing purchases on the Exchange in the interest of an orderly market.~~ ~~Incomplete Distributions — In the event that an offering goes badly and the distribution ends without the distributing Participating Organization having been able to sell the whole position, then the Participating Organization may not routinely continue to sell to its own clients off-Exchange without the prior consent of the Exchange. However, it may sell remaining shares out of the position:~~ ~~(a) to its own clients in on the Exchange principal unwinding trades;~~ ~~(b) to other Participating Organizations on the Exchange; or~~ ~~(c) through other means as provided for in the Rules.~~
***** **DIVISION 8 – POST OPENING** *****	

RULES (AS AT ~~DECEMBER 14, 2007~~• , 2008)	POLICIES
4-802 Allocation of Trades (Amended) (1) An order that is entered for execution on the Exchange may execute without interference from any order in the Book if the order is: (a) part of an internal cross; (b) an unattributed order that is part of an intentional cross; (c) part of an intentional cross entered by a Participating Organization in order to fill a client's Special Trading Session order; (d) part of an exempt related security cross, provided that the order is exempt from interference only to the extent that there are no offsetting orders entered in the Book, at least one of which is an order entered by the same Participating Organization, which can fill both the client's order for the particular security, in whole or in part, and an equivalent volume of the client's order for the related security. Orders in the Book will only be considered to be offsetting orders if the related security spread on execution of the clients' orders against orders in the Book is equal to or more beneficial than the related security spread offered by the Participating Organization for the contingent cross arrangement; ~~or~~ (e) entered as part of a Specialty Price Cross; or (f) part of a Designated Trade. (2) Subject to subsection (1), an intentional cross executed on the Exchange will be subject to interference from orders in the Book from the same Participating Organization according to time priority, provided that such orders in the Book are attributed orders. (3) A tradeable order that is entered in the Book and is not a Bypass Order shall be executed on allocation in the following sequence: (a) to offsetting orders entered in the Book by the Participating Organization that entered the tradeable order according to the time of entry of the offsetting order in the Book, provided that neither the tradeable order nor the offsetting order is an unattributed order; then (b) to offsetting orders in the Book according to the time of entry of the offsetting order in the Book; then (c) to the Market Maker if the tradeable order is eligible for a Minimum Guaranteed Fill. (4) A tradeable order that is entered in the Book and is a Bypass Order shall execute against the disclosed portion of offsetting orders in the Book according to the price/time priority established in Rule 4-801.	**4-802 Allocation of Trades** (1) MGF Facility The MGF facility provides an automatic and immediate "one price" execution of Participating Organizations' client market orders and tradeable limit orders of up to the MGF in the security at the current market price. (a) **Obligations** Market Makers shall buy or sell the balance of an incoming MGF-eligible order at the current market price when there are not sufficient committed orders to fill the incoming order at that price. Market Makers shall also purchase or sell to any imbalance of MGF-eligible orders on the opening that cannot be filled by orders in the Book. (b) **Size of MGF** The minimum size of MGF is calculated as one share less than two board lots. For example, for securities with a board lot size of 100 securities, the minimum is 199 securities. This minimum is acceptable for Tier A securities and Tier B securities. The calculated minimum MGF may; however, be set at a size that is higher than the minimum. For example, the minimum size of the MGF for Tier A securities is usually greater than 599 shares (for securities with a 100 share board lot). (2) Market Maker Participation At the option of the Market Maker, the Market Maker may participate in any immediately tradeable orders (including non-client orders) that are equal to or less than the size of the Market Maker's MGF for the security. The Market Maker may participate for 40% of the MGF order at the bid price, the ask price, or both. While the Market Maker is participating, all client orders that are equal to or less in size than the MGF for the security, including those marked "BK", shall be guaranteed a fill. If the Market Maker is not participating, only MGF-eligible orders shall be guaranteed a fill. (3) Use of MGF by US Dealers Orders on behalf of American securities dealers ("U.S. dealers") to buy or sell listed securities that are interlisted with NASDAQ are not eligible for entry into the MGF system. The orders (if they would otherwise be MGF-eligible) must be marked "BK" in order to avoid triggering the responsible Market Maker's MGF obligation. This Policy applies even if the U.S. dealer is paying a commission. Orders on behalf of clients of U.S. dealers are eligible for entry into the system. Participating Organizations accepting an order from a U.S. dealer must ascertain whether the order is on behalf of a client. If the Participating Organization is unable to determine the status of the order, the order is to be treated as ineligible for entry into the MGF system. Orders on behalf of U.S. dealers that

RULES (AS AT ~~DECEMBER 14, 2007~~• , 2008)	POLICIES
Amended (~~July 23, 2004~~•, 2008)	are facilitating a trade for a client of that dealer are not eligible for entry into the MGF system and must be marked "BK". **Amended (July 23, 2004)**

13.1.4 IIROC Rules Notice – Notice of Approval – Provisions Respecting Best Execution

IIROC RULES NOTICE

NOTICE OF APPROVAL – UMIR

PROVISIONS RESPECTING BEST EXECUTION

08-0039
July 18, 2008

PROVISIONS RESPECTING BEST EXECUTION

Summary

This IIROC Rules Notice provides notice of the approval by the applicable securities regulatory authorities (the "Recognizing Regulators") of amendments to the Universal Market Integrity Rules ("UMIR") respecting various aspects of best execution ("Amendments"). These Amendments will become effective on September 12, 2008 concurrent with the effective date in Ontario, the jurisdiction of the principal regulator of the Investment Industry Regulatory Organization of Canada ("IIROC"), of comparable changes to the best execution provisions of National Instrument 23-101 ("Trading Rules").
In particular, the Amendments:

- conform the requirements under UMIR to be consistent with changes (the "CSA Best Execution Amendments")[1] by the Canadian Securities Administrators ("CSA") to the Trading Rules; and
- clarify the circumstances when a Participant should consider order and trade information from a foreign organized regulated market[2]; and
- clarify that obtaining "best execution" remains subject to "best price" obligations.

The Amendments have been revised from the proposals contained in Market Integrity Notice 2007-008 – *Request for Comments – Provisions Respecting Best Execution* (April 20, 2007) (the "Best Execution Proposal").

Background to the Amendments

Previous Provisions

Prior to the Amendments, Rule 5.1 of UMIR required that a Participant "diligently pursue the execution of each client order on the most advantageous terms for the client as expeditiously as practicable under prevailing market conditions". In addition to this "best execution" requirement, Rule 5.2 of UMIR requires that a Participant make reasonable efforts prior to the execution of an order, including a client order, to ensure that the order is executed at the best available price.[3] As such, UMIR recognizes that "best execution" and "best price" are separate but related obligations imposed on a Participant when handling a client order.

Prior to the CSA Best Execution Amendments coming into force, the CSA Trading Rules provided that "a dealer acting as agent for a client shall make reasonable efforts to ensure that the client receives the best execution price on a purchase or sale or securities by the client".[4] For the purposes of the CSA Trading Rules, the focus of "best execution" had been on providing "best price". In accordance with the CSA Trading Rules, a Participant is exempt from the "best execution" provisions under Part 4 of the CSA Trading Rules if the Participant complies with the requirements of UMIR when handling a client order that is subject to UMIR.[5]

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1 Canadian Securities Administrators Notice on Best Execution, (2008) 31 OSCB 6303.

2 For a discussion of the definition of a "foreign organized regulated market", see Market Integrity Notice 2008-008 – *Amendment Approval – Provisions Respecting "Off-Marketplace" Trades* (May 16, 2008).

3 The "best price" obligation under Rule 5.2 of UMIR will be repealed or significantly amended dependent upon the provisions governing "trade-through" that are adopted by the CSA. Any consequential amendments proposed by IIROC will be issued in a Rules Notice and be open for comment during the same period as any amendments regarding trade-through proposed by the CSA for the CSA Trading Rules and the Marketplace Operation Instrument. For a discussion of the concepts that may be included in the trade-through proposal reference should be made to "Trade-through" in Market Integrity Notice 2007-007 – *Request for Comments - Joint Canadian Securities Administrators/Market Regulation Services Inc. Notice on Trade-Through Protection, Best Execution and Access to Marketplaces – Proposed Amendments to National Instrument 21-101 Marketplace Operation and National Instrument 23-101 Trading Rules and Related Universal Market Integrity Rules* (April 20, 2007).

4 National Instrument 23-101, ss. 4.2(1).

5 Ibid, s. 2.1.

Market Integrity Notice 2007-002 – *Notice of Approval – Provisions Respecting Competitive Marketplaces* (February 26, 2007) set out certain amendments to the "best execution" obligation under UMIR (the "Competitive Marketplaces Amendments"). Under the Competitive Marketplaces Amendments a Participant, in discharging its best execution obligation, must consider possible liquidity on marketplaces that do not provide transparency of orders in a consolidated market display if:

- the displayed volume in the consolidated market display is not adequate to fully execute the client order on advantageous terms for the client; and
- the non-transparent marketplace has demonstrated that there is a reasonable likelihood that the marketplace will have liquidity for the specific security.

In addition, the Competitive Marketplaces Amendments expanded the Policy to indicate that IIROC would consider two additional factors when determining whether a Participant has diligently pursued the best execution of a client order, namely:

- any specific client instructions regarding the timeliness of the execution of the order; and
- whether organized regulated markets outside of Canada have been considered (particularly if the principal market for the security is outside of Canada).

CSA Best Execution Amendments

On June 20, 2008, the CSA published the CSA Best Execution Amendments which are expected to become effective on September 12, 2008. The CSA Best Execution Amendments make no substantive or material changes to the proposed amendments to the Trading Rules published on April 20, 2007.[6]

In the proposals published in April of 2007, the CSA had also suggested the introduction of reporting by marketplaces and dealers of order execution and market quality information. The CSA has determined not to proceed with this aspect of the proposal at this time.[7] IIROC had not proposed to have comparable provisions in UMIR as part of the Best Execution Proposal.

Harmonization of the Amendments and the CSA Best Execution Amendments

The Amendments parallel the provisions adopted in the CSA Best Execution Amendments. There are differences in language and structure that reflect:

- the use of different defined terms and drafting protocols;
- the application of the UMIR provisions to orders for securities eligible to be traded on a marketplace that has retained IIROC as its regulation services provider as compared to the application of CSA Best Execution Amendments to all client orders; and
- the application of the UMIR provisions to Participants as compared to the application of CSA Best Execution Amendments to all dealers and advisers that may owe a best execution to clients when handling a client order or dealing on behalf of a portfolio.

In the view of IIROC, there are no substantive differences between the Amendments and the CSA Best Execution Amendments other than as a result of these three factors. If revisions are made to the "best execution" provisions under the CSA Trading Rules, it is intended that necessary consequential revisions will be made to UMIR such that the UMIR provisions will continue to parallel the provisions of the CSA Trading Rules.

If there are continuing differences between the "best execution" provisions under UMIR and the CSA Trading Rules, a Participant would, in accordance with section 2.1 of the CSA Trading Rules, be exempt from the "best execution" provisions

[6] Canadian Securities Administrators Notice on Best Execution, op. cit., p. 6304. Specifically, the CSA have clarified that:
- A dealer is required to make reasonable efforts to use facilities providing information regarding orders and trades to satisfy the "reasonable efforts" test for the best execution obligation.
- To achieve best execution, a dealer or adviser should be able to demonstrate that it has abided by its best execution policies and procedures. We [the CSA] have further explained that these policies and procedures should describe how the dealer or adviser evaluates whether best execution was obtained and should be regularly and rigorously reviewed.
- Policies and procedures for seeking best execution should include the requirement to evaluate whether taking steps to access orders on a specific marketplace is appropriate under the circumstances.
- Dealers should include in their best execution policies and procedures a regular assessment of whether it is appropriate to consider ATSs in Canada that trade foreign exchange-traded securities as well as the foreign markets upon which these securities trade.

[7] Ibid.

under Part 4 of the CSA Trading Rules if the Participant complies with the requirements of UMIR. However, the provisions of the CSA Trading Rules apply to:

- a dealer or adviser who is not a "Participant" for the purposes of UMIR; and
- a Participant when trading a client order for a security that is not eligible to be traded on a marketplace regulated by IIROC.

Summary of the Amendments

Effective September 12, 2008, the Amendments vary Rule 5.1 by replacing certain of the language to more closely parallel the terms used in the CSA Best Execution Amendments. Rule 5.1 is amended to refer to "the most advantageous execution terms reasonably available under the circumstances". Prior to the Amendments, the Rule required a Participant to diligently pursue the execution of each client order on the "most advantageous terms for the client as expeditiously as practicable under prevailing market conditions". The phrase "expeditiously as practicable under prevailing market conditions" has been deleted from the Rule as the Policy has been amended to set out the four general factors (price, speed of execution, certainty of execution and the overall transaction cost) that are encompassed by concept of "expeditiously as practicable" and to indicate that in considering the "circumstances" the Participant should take into account "prevailing market conditions".

The Amendments change various parts of Policy 5.1 to provide clarification of:

- the general factors to be considered in providing best execution with the key factors being: price; speed of execution; certainty of execution; and the overall cost of the transaction;
- the specific factors to be considered in providing best execution, namely: client instructions; consideration of marketplaces that have demonstrated a reasonable likelihood of liquidity relative to the size of the client order; and consideration of non-transparent marketplaces if the displayed volume is inadequate and the non-transparent marketplace has demonstrated a reasonable likelihood of liquidity for the specific security;
- the additional factors that may be considered by a Participant when determining whether to execute on a foreign organized regulated market including: available liquidity displayed on a marketplace; the proportion of trading in the security accounted for by the foreign market; exposure to settlement risk and fluctuations in foreign currency exchange; and
- the requirement to comply with the "best price" obligation under Rule 5.2 notwithstanding any client instruction or consent with respect to the "best execution" obligation.

The Amendments also change Part 4 of Policy 7.1 dealing with trading supervision obligations to clarify the requirement that the written policies and procedures of a Participant should outline the process used by the Participant to obtain best execution and permit an evaluation of whether best execution was obtained on the execution of a particular client order. In particular, the policies and procedures must address how a Participant will ensure best execution in circumstances when the Participant has an "incentive" arrangement with a particular marketplace (including ownership, payments or discounts based on the number, value or volume associated with orders entered on or trades executed on that particular marketplace).

As a result of the changes to Rule 5.1 and Policy 5.1, the Amendments move the factors to be taken into account when determining whether a principal trade with a client is undertaken at the "best available price" from Policy 5.1 and add them to Policy 8.1. In addition, the Amendments make an editorial change to Rule 8.1 by replacing the phrase "taking into account the condition of the market at that time" with the phrase "under prevailing market conditions". This change would standardize the use of terminology between Policy 5.1 and Rule 8.1 with respect to the factors to be taken into account. In the view of IIROC, this amendment simply standardizes the language used and does not represent a substantive change in requirements.

Summary of Changes from the Best Execution Proposal

The Amendments have been revised from the Best Execution Proposal to:

- conform UMIR to changes made to the CSA Best Execution Amendments, particularly with respect to the provisions dealing with policies and procedures (see "CSA Best Execution Amendments" on pages 4 and 5); and
- make consequential changes arising from recent amendments to UMIR, in particular the adoption of the definition of "foreign organized regulated market" as set out in Market Integrity Notice 2008-008 – *Amendment Approval – Provisions Respecting "Off-Marketplace" Trades* (May 16, 2008).

Summary of Changes from the Competitive Marketplaces Amendments

The Amendments specifically vary two aspects of Part 2 of Policy 5.1 as adopted by the Competitive Marketplaces Amendments:

Client Instructions

The policies under the Competitive Marketplaces Amendments permitted a Participant to take into consideration specific client instructions regarding "the timeliness of" the execution of the client order. The Amendments remove the restriction on the client instructions to the speed of execution. However, the Amendments clarify that a Participant would remain subject to the "best price" obligation under Rule 5.2 notwithstanding any client instruction or consent.

Consideration of Foreign Organized Regulated Markets

One of the factors a Participant can take into account under the Competitive Marketplaces Amendments is "whether organized regulated markets outside of Canada have been considered (particularly if the principal market for the security is outside of Canada)." Certain commentators construed this factor as requiring the consideration of foreign markets when trading any security that was traded on both a marketplace and a foreign market. The Amendments set out the additional factors that may be considered by a Participant when determining whether to execute on a foreign organized regulated market including: available liquidity displayed on a marketplace; the proportion of trading in the security accounted for by the foreign organized regulated market; exposure to settlement risk and fluctuations in foreign currency exchange.

Appendices

- Appendix "A" sets out the text of the Amendments to the Rules and Policies respecting best execution; and
- Appendix "B" sets out a summary of the comment letters received in response to the Request for Comments on the Best Execution Proposal set out in Market Integrity Notice 2007-008 - *Request for Comments – Provisions Respecting Best Execution* (April 20, 2007). Appendix "B" also sets out the response of IIROC to the comments received and provides additional commentary on the revisions the Amendments made to the Best Execution Proposal. Appendix "B" also contains the text of the relevant provisions of the Rules and Policies as they read on the adoption of the Amendments. The text has been marked to indicate changes from the Best Execution Proposal.

Appendix "A"

Provisions Respecting Best Execution

The Universal Market Integrity Rules are amended as follows:

1. Rule 5.1 is deleted and the following substituted.

   A Participant shall diligently pursue the execution of each client order on the most advantageous execution terms reasonably available under the circumstances.

2. Rule 8.1 is amended by deleting the phrase "taking into account the condition of the market at that time" and substituting the phrase "under prevailing market conditions".

The Policies to the Universal Market Integrity Rules are amended as follows:

1. Policy 5.1 is deleted and the following substituted:

   Part 1 – General Factors to be Considered

   In seeking the "most advantageous execution terms reasonably available under prevailing market conditions", the Market Regulator would expect that the Participant would take into account a number of general factors, including:

   - the price at which the trade would occur;
   - the speed of execution;
   - the certainty of execution; and
   - the overall cost of the transaction.

   These four broad factors encompass more specific considerations, such as order size, reliability of quotes, liquidity, market impact (the price movement that occurs when executing an order) and opportunity cost (the missed opportunity to obtain a better price when an order is not completed at the most advantageous time). The overall cost of the transaction is meant to include, where appropriate, all costs associated with accessing an order and/or executing a trade that are passed onto a client, including fees arising from trading on a particular marketplace, jitney fees (ie. any fees charged between dealers to provide trading access) and settlement costs.

   In considering the circumstances, Participants should take into account "prevailing market conditions" and consider such factors as:

   - prices and volumes of the last sale and previous trades;
   - direction of the market for the security;
   - posted size on the bid and offer;
   - the size of the spread; and
   - liquidity of the security.

   Part 2 – Specific Factors to be Considered

   In determining whether a Participant has diligently pursued the best execution of a client order, the Market Regulator will consider a number of specific factors including:

   - any specific client instructions regarding the execution of the order;
   - whether the Participant has considered orders on a marketplace that has demonstrated a reasonable likelihood of liquidity for a specific security relative to the size of the client order; and

- whether the Participant has considered possible liquidity on marketplaces that do not provide transparency of orders in a consolidated market display if:
    - the displayed volume in the consolidated market display is not adequate to fully execute the client order on advantageous terms for the client, and
    - the non-transparent marketplace has demonstrated that there is a reasonable likelihood that the marketplace will have liquidity for the specific security.

Part 3 – Consideration of Foreign Organized Regulated Markets

In determining whether to consider the execution of a client order on a foreign organized regulated market, the Participant may consider, in addition to the factors set out in Parts 1 and 2:

- available liquidity displayed on a marketplace relative to the size of the client order;
- the extent of trading in the particular security on the foreign organized regulated market relative to the volume of trading on marketplaces;
- the extent of exposure to settlement risk in a foreign jurisdiction; and
- the extent of exposure to fluctuations in foreign currency exchange.

Part 4 – Subject to Best Price Obligation

Notwithstanding any instruction or consent of the client, the provision of "best execution" for a client order is subject to compliance with the "best price" obligation under Rule 5.2. Similarly, if a foreign organized regulated market is considered in order to provide a client with "best execution", the Participant has an obligation to better-priced orders on marketplaces that may be required for compliance with the "best price" obligation under Rule 5.2.

2. Part 4 of Policy 7.1 is amended by adding the following after the first sentence:

A Participant must have policies and procedures in place to "diligently pursue the execution of each client order on the most advantageous execution terms reasonably available under the circumstances". The policies and procedures must:

- outline a process designed to achieve best execution;
- require the Participant, subject to compliance by the Participant with any Requirement, to follow the instructions of the client and to consider the investment objectives of the client;
- include the process for taking into account order and trade information from all appropriate marketplaces and foreign organized regulated markets; and
- describe how the Participant evaluates whether "best execution" was obtained.

In order to demonstrate that a Participant has "diligently pursued" the best execution of a particular client order, the Participant must be able to demonstrate that it has abided by the policies and procedures.

3. The following is added as Part 3 of Policy 8.1:

Part 3 – Factors in Determining "Best Available Price"

The price of the principal transaction must also be justified by prevailing market conditions. Participants should consider such factors as:

- prices and volumes of the last sale and previous trades;
- direction of the market for the security;
- posted size on the bid and offer;

- the size of the spread; and
- liquidity of the security.

For example, if the market is $10 bid and $10.50 asked and a client wants to sell 1,000 shares, it would be inappropriate for a Participant to do a principal trade at $10.05 if the security has been trading heavily at $10.50 and there is strong bidding for the security at $10 compared to the number of securities being offered at $10.50. The condition of the market suggests that the client should be able to sell at a better price than $10.05. Accordingly, the Participant as agent for the client should post an offer at $10.45 or even $10.50, depending on the circumstances. The desire of the client to obtain a fill quickly is always a consideration.

Of course, if a client expressly consents to a principal trade on a fully-informed basis, following the client's instructions will be reasonable.

Appendix "B"

Comments Received in Response to
Market Integrity Notice 2007-008 – *Request for Comments –*
Provisions Respecting Best Execution

Market Integrity Notice 2007-007 – *Joint Canadian Securities Administrators / Market Regulation Services Inc. Notice on Trade-Through Protection, Best Execution and Access to Marketplaces* ("Joint Notice") issued on April 20, 2007 included proposed amendments to National Instrument 21-101 – *Marketplace Operation* and National Instrument 23-101 – *Trading Rules*. Concurrent with the publication of the Joint Notice, Market Integrity Notice 2007-008 was issued requesting comments on proposed amendments to UMIR respecting best execution ("Best Execution Proposal"). Comments were received specifically on the Best Execution Proposal from:

Canadian Trading and Quotation System Inc. ("CNQ")

egX Canada ("egX")

RBC Dominion Securities ("RBCDS")

A copy of each comment letter submitted in response to the Joint Notice on the Best Execution Proposal is publicly available on the IIROC website (www.iiroc.ca under the heading "Policy" and sub-heading "Market Proposals/Comments"). A summary of the comments received on the Joint Notice (including responses to specific questions related generally to "best execution" and the provisions proposed to be added to the National Instruments) is available at (2008), 31 OSCB 6306.

The following table presents a summary of the comments received on the Best Execution Proposal together with the response of IIROC to those comments. Column 1 of the table highlights the revisions to the Best Execution Proposal made by IIROC in response to these comments, the comments received on the Joint Notice and the comments of the Recognizing Regulators.

Text of Provisions Following Adoption of the Amendments (Changes from the Best Execution Proposal Highlighted)	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
5.1 Best Execution of Client Orders A Participant shall diligently pursue the execution of each client order on the most advantageous execution terms reasonably available under the circumstances.	**egX** – Dealers need the flexibility to expand the definition based on other determinants also relevant to their business models and the clients' directions.	Best execution must be measured in the context of complying with all other applicable regulatory requirements. In particular, IIROC expects compliance with the "best price" obligations even if the client is prepared to execute at an inferior price. "Best execution" is not given priority over any other obligation which a Participant has in executing a trade.
	RBCDS – What is meant by "the most advantageous execution terms reasonably available under the circumstances"?	As noted in the Market Integrity Notice, the test is essentially a restatement of the current requirements under Rule 5.1 of UMIR. Parts 1 and 2 of Policy 5.1 set out general and specific factors to be taken into account. Part 3 of Policy 5.1 set out considerations to be taken into account when determining whether to access an organized regulated market outside Canada.
8.1 Client-Principal Trading (1) A Participant that receives a client order for 50 standard trading units or less of a security with a value of $100,000 or less may execute the client order against a principal order or non-client order at a better price provided the Participant has taken reasonable steps to ensure that the price is the best available price for the client under prevailing market conditions.		

Text of Provisions Following Adoption of the Amendments (Changes from the Best Execution Proposal Highlighted)	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
Policy 5.1 – Best Execution of Client Orders **Part 1 – General Factors to be Considered** In seeking the "most advantageous execution terms reasonably available under the circumstances", the Market Regulator would expect that the Participant would take into account a number of general factors, including: • the price at which the trade would occur; • the speed of execution; • the certainty of execution; and • the overall cost of the transaction. These four broad factors encompass more specific considerations, such as order size, reliability of quotes, liquidity, market impact (the price movement that occurs when executing an order) and opportunity cost (the missed opportunity to obtain a better price when an order is not completed at the most advantageous time). The overall cost of the transaction is meant to include, where appropriate, all costs associated with accessing an order and/or executing a trade that are passed on to a client, including fees arising from trading on a particular marketplace, jitney fees (ie. any fees charged between dealers to provide trading access) and settlement costs. In considering the circumstances, Participants should take into account "prevailing market conditions" and consider such factors as: • prices and volumes of the last sale and previous trades; • direction of the market for the security; • posted size on the bid and offer; • the size of the spread; and • liquidity of the security.		
Policy 5.1 – Best Execution of Client Orders **Part 2 – Specific Factors to be Considered** In determining whether a Participant has diligently pursued the best execution of a client order, the Market Regulator will consider a number of specific factors including: • any specific client instructions regarding the execution of the order; • whether the Participant has considered orders on a marketplace that has demonstrated a reasonable likelihood of liquidity for a specific security relative to the	**RBCDS** – To what extent will client instructions or consent impact the "best execution" obligation?	Client instructions qualify any measure of "best execution". However, as noted in Part 4 of Policy 5.1, a client instruction or consent can not override the "best price" obligation under Rule 5.2.

Text of Provisions Following Adoption of the Amendments (Changes from the Best Execution Proposal Highlighted)	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
size of the client order; and • whether the Participant has considered possible liquidity on marketplaces that do not provide transparency of orders in a consolidated market display if: o the displayed volume in the consolidated market display is not adequate to fully execute the client order on advantageous terms for the client, and o the non-transparent marketplace has demonstrated that there is a reasonable likelihood that the marketplace will have liquidity for the specific security.		
Policy 5.1 – Best Execution of Client Orders **Part 3 – Consideration of Foreign Organized Regulated Markets** In determining whether to consider the execution of a client order on ~~a~~n foreign organized regulated market ~~outside of Canada~~, the Participant may consider, in addition to the factors set out in Parts 1 and 2: • available liquidity displayed on a marketplace relative to the size of the client order; • the extent of trading in the particular security on the foreign organized regulated market relative to the volume of trading on marketplaces; • the extent of exposure to settlement risk in a foreign jurisdiction; and • the extent of exposure to fluctuations in foreign currency exchange.		With the publication of Market Integrity Notice 2008-008 – Amendment Approval – Provisions Respecting "Off-Marketplace" Trades (May 16, 2008), UMIR was amended to adopt a definition of "foreign organized regulated markets". The changes in this Part of Policy 5.1 are consequential to the adoption of that definition.
Policy 5.1 – Best Execution of Client Orders **Part 4 – Subject to Best Price Obligation** Notwithstanding any instruction or consent of the client, the provision of "best execution" for a client order is subject to compliance with the "best price" obligation under Rule 5.2. Similarly, if a~~n~~ foreign organized regulated market ~~outside of Canada~~ is considered in order to provide a client with "best execution", the Participant has an obligation to better-priced orders on marketplaces that may be required for compliance with the "best price" obligation under Rule 5.2.	**RBCDS** – Is "best execution" consistent with "trade-through" obligations?	Best execution must be measured in the context of complying with all other applicable regulatory requirements. In particular, IIROC expects compliance with the "best price" obligations even if the client consents to or directs an execution at an inferior price. With the publication of Market Integrity Notice 2008-008 – Amendment Approval – Provisions Respecting "Off-Marketplace" Trades (May 16, 2008), UMIR was amended to adopt a definition of "foreign organized regulated markets". The changes in this Part of Policy 5.1 are consequential to the adoption of that definition.

Text of Provisions Following Adoption of the Amendments (Changes from the Best Execution Proposal Highlighted)	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
Policy 7.1 – Trading Supervision Obligations **Part 4 – Specific Procedures Respecting Client Priority and Best Execution** Participants must have written compliance procedures reasonably designed to ensure that their trading does not violate Rule 5.3 or 5.1. A Participant must ~~should~~ have policies and procedures ~~a process~~ in place to "diligently pursue the execution of each client order on the most advantageous execution terms reasonably available under the circumstances". ~~The process should allow the Participant to evaluate whether "best execution" was obtained and whether the Participant has "diligently pursued" the best execution of a particular client order, including relying on that process.~~ The policies and procedures must: • outline a process designed to achieve best execution; • require the Participant, subject to compliance by the Participant with any Requirement, to follow the instructions of the client and to consider the investment objectives of the client; • include the process for taking into account order and trade information from all appropriate marketplaces and foreign organized regulated markets; and • describe how the Participant evaluates whether "best execution" was obtained. In order to demonstrate that a Participant has "diligently pursued" the best execution of a particular client order, the Participant must be able to demonstrate that it has abided by the policies and procedures. At a minimum, the written compliance procedures must address employee education and post-trade monitoring. The purpose of the Participant's compliance procedures is to ensure that pro traders do not knowingly trade ahead of client orders. This would occur if a client order is withheld from entry into the market and a person with knowledge of that client order enters another order that will trade ahead of it. Doing so could take a trading opportunity away from the first client. Withholding an order for normal review and order handling is allowed under Rules 5.3 and 5.1, as this is done to ensure that the client gets a good execution. To ensure that the Participants' written compliance procedures are effective they must address the potential problem situations where trading opportunities may be taken away from clients.		The CSA Best Execution Amendments clarified a number of aspects from the proposal contained in the Joint Notice, particularly with respect to the adoption of policies and procedures by a dealer. The Amendments to Part 4 of Policy 7.1 conform the requirements of UMIR to the CSA Best Execution Amendments.

Text of Provisions Following Adoption of the Amendments (Changes from the Best Execution Proposal Highlighted)	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
Policy 8.1 – Client-Principal Trading **Part 3 – Factors in Determining "Best Available Price"** The price of the principal transaction must also be justified by prevailing market conditions. Participants should consider such factors as: • prices and volumes of the last sale and previous trades; • direction of the market for the security; • posted size on the bid and offer; • the size of the spread; and • liquidity of the security. For example, if the market is $10 bid and $10.50 asked and a client wants to sell 1,000 shares, it would be inappropriate for a Participant to do a principal trade at $10.05 if the security has been trading heavily at $10.50 and there is strong bidding for the security at $10 compared to the number of securities being offered at $10.50. The condition of the market suggests that the client should be able to sell at a better price than $10.05. Accordingly, the Participant as agent for the client should post an offer at $10.45 or even $10.50, depending on the circumstances. The desire of the client to obtain a fill quickly is always a consideration. Of course, if a client expressly consents to a principal trade on a fully-informed basis, following the client's instructions will be reasonable.		
General Comments	**CNQ** – Believes that requirement to consider foreign markets should be limited to situations where a dealer is currently accessing the foreign market. A dealer may not know all of the marketplaces on which a security trades, may not have access to the relevant market information, may not be able to execute an order on a foreign market at an acceptable cost and settlement practices may be unreasonably delayed or expensive. A dealer holding a client order should be prohibited from trading as principal in a foreign market and immediately unwinding to the client at an inferior price.	Under the IIROC proposal, Part 3 of Policy of 5.1 would qualify the obligation to consider a foreign organized regulated market. Provisions governing client priority would preclude a Participant executing on a foreign market and unwinding at an "inferior price" to a client order held at the time of the purchase on the foreign market. IIROC has also provided guidance that such a practice may be considered "double printing" unless there is a valid reason why the client order could not be executed in the foreign market.

Text of Provisions Following Adoption of the Amendments (Changes from the Best Execution Proposal Highlighted)	Commentator and Summary of Comment	IIROC Response to Comment and Additional IIROC Commentary
	RBCDS – Who is going to provide the "consolidated market display"? Why does UMIR not include provision for the reporting of order execution and market quality?	The "consolidated market display" is simply the compilation of information from all marketplaces which a Participant must take into account when making trading decisions. If there is an information processor, the consolidated market display is the information provided in accordance with Part 14 of the Marketplace Operation Instrument. If there is no information processor, the source of the information can be through one or more information vendors. The obligations contemplated in the CSA proposal that apply to marketplaces are not appropriate for UMIR which is intended to regulate trading activity. The reporting obligation for "dealers" applies to more than Participants and to additional marketplaces and securities than those monitored pursuant to UMIR. As such, the reports may be different and therefore confusing to the intended users.

13.1.5 MFDA Issues Notice of Hearing Regarding Kerry Scharfenberg

NEWS RELEASE
For immediate release

MFDA Issues Notice of Hearing Regarding Kerry Scharfenberg

July 16, 2008 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against Kerry Scharfenberg.

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

> Allegation #1: Between February 8, 2002 and August 2006, the Respondent misappropriated approximately $332,155 from six clients, thereby failing to deal fairly, honestly and in good faith with the clients, contrary to MFDA Rule 2.1.1.
>
> Allegation #2: Between February 8, 2002 and August 2006, the Respondent processed transactions in the accounts of clients without their instructions, knowledge or authorization, contrary to MFDA Rule 2.1.1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Prairie Regional Council in the Hearing Room located at 800 – 6th Avenue SW, Suite 850, Calgary, Alberta on Friday, September 19, 2008 at 10:00 a.m. (Alberta) or as soon thereafter as can be held.

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

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

A copy of the Notice of Hearing is available on the MFDA website at www.mfda.ca.

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

Chapter 25

Other Information

25.1 Consents

25.1.1 Mutual Fund Dealers Association of Canada

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

AND

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

CONSENT

WHEREAS the Commission issued an order dated February 6, 2001, as amended and restated on March 30, 2004, and varied on November 3, 2006, recognizing the MFDA as a self-regulatory organization for mutual fund dealers pursuant to section 21.1 of the Act (Recognition Order);

AND WHEREAS the Recognition Order provides that the MFDA may, with the consent of the Commission, make arrangements with any other suitable body or person to perform the functions of monitoring and enforcing compliance with the MFDA's or such other body or person's substantially similar Rules, and investigating complaints against MFDA members and their Approved Persons (as defined in the MFDA Rules);

AND WHEREAS the MFDA entered into an agreement with l'Autorité des marchés financiers du Québec (the Autorité) (known as l'Agence Nationale d'encadrement du secteur financier prior to December 17, 2004) and the Chambre de la sécurité financière (the Chambre) to co-ordinate the regulation of MFDA members with operations in Québec (Co-operative Agreement), attached as Schedule A;

AND WHEREAS the Commission consented to the Co-operative Agreement on March 8, 2005, with certain terms and conditions;

AND WHEREAS the MFDA has applied to the Commission for a new consent to the Co-operative Agreement with no definite expiry date;

AND WHEREAS the MFDA has represented to the Commission as follows:

1. The Rules of the MFDA and the laws, regulations, orders or other regulatory directions or instruments which the Autorité and/or the Chambre administer or enforce from time to time including, without limitation, the *Securities Act* (Québec) and the Regulations made thereunder (the Regulations of the Autorité and/or the Chambre), relating to business conduct and sales practices, are substantially similar or have the same regulatory objectives;

2. MFDA members will, by complying with the Regulations of the Autorité relating to business conduct and sales practices in Québec, be considered by the MFDA to comply with MFDA Rules relating to the same subject matter;

3. The MFDA, the Autorité and the Chambre have similar public interest mandates;

4. The MFDA and the Autorité together with the Chambre, are performing similar regulatory activities;

5. The MFDA has sufficient access to its members' books, records and operations to be able to conduct prudential compliance reviews of its members operating in Québec;

6. Staff of the MFDA and the Autorité have struck a coordination committee to develop similar approaches to conducting inspections, a similar inspection program and schedule of inspections to ensure substantially consistent monitoring and enforcement of requirements;

7. The MFDA is of the opinion that members in Québec will be subject to a similar or equivalent regulatory regime;

8. The MFDA is not recognized as a self-regulatory organization in Québec and assessments for MFDA Investor Protection Corporation (MFDA IPC) funding are not made in respect of assets under administration of members in Québec. Accordingly, customers with accounts in Québec at MFDA members, and whose assets held by MFDA members in Québec are not subject to such assessment (Québec Customers), are not entitled to protection by the MFDA IPC except as the Board of Directors of the MFDA IPC shall otherwise in its discretion determine;

9. The MFDA will provide prior notification to the Commission if it becomes aware that the MFDA IPC intends to provide coverage to Québec Customers;

AND WHEREAS the Commission agrees to provide such consent, subject to the terms and conditions set out in Schedule B attached;

AND WHEREAS the MFDA has agreed to the terms and conditions set out in Schedule B;

AND WHEREAS the Commission has determined that the Co-operative Agreement remains not prejudicial to the public interest;

THE COMMISSION HEREBY CONSENTS to the MFDA's continued participation in the Co-operative Agreement, subject to the terms and conditions attached as Schedule B.

DATED June 17, 2008.

"Paul Bates"

"Suresh Thakrar"

SCHEDULE A

CO-OPERATIVE AGREEMENT

made as of December 15, 2004

BETWEEN:

L'AGENCE NATIONALE D'ENCADREMENT DU SECTEUR FINANCIER
("Autorité")

CHAMBRE DE LA SÉCURITÉ FINANCIÈRE
("Chambre")

and

ASSOCIATION CANADIENNE DES COURTIERS DE FONDS MUTUELS
("ACCFM")

INTRODUCTION:

1. The Autorité is a regulatory organization in respect of mutual fund brokerage firms and their representatives pursuant to *An Act respecting the distribution of financial products and services* (R.S.Q., c. D-9.2) (the "Act"), and its Regulations and carries out other activities in respect thereof pursuant to that Act and other applicable legislation including, without limitation, the *Securities Act* of Quebec (R.S.Q., c. V-1.1) (the "QSA").

2. Pursuant to the Act, the Chambre is a self-regulatory organization responsible for protecting the public in maintaining discipline and ethics among its members who carry on activities in the sectors of insurance of persons, group insurance of persons, financial planning, group savings plan brokerage, investment contracts brokerage and scholarship plan brokerage, all through a syndic and a discipline committee. It regulates the compulsory continuing education, supervises its application and professional development of representatives within its jurisdiction.

3. The ACCFM is a self-regulatory organization which is recognized as such in certain provincial jurisdictions other than Quebec in respect of mutual fund dealers and their approved persons, and which is empowered under the legislation of such jurisdictions to supervise or regulate matters similar to those within the jurisdiction of the Autorité or the Chambre as contemplated by section 189 of the Act.

4. The Fonds d'indemnisation des services financiers provides compensation to victims of fraud, fraudulent tactics or embezzlement that takes place within the context of the distribution of financial products and services covered by the Act in Quebec by, among others, mutual fund brokerage firms and their representatives including Members of the ACCFM and their representatives.

5. The Corporation de protection des investisseurs de l'ACCFM has been established to provide protection to eligible clients.

6. In order to protect the public, avoid regulatory inefficiencies and preserve and enhance the respective separate mandates of the Autorité, Chambre and ACCFM, the parties wish to enter into this co-operative agreement in accordance with section 189 of the Act relating to the specific subjects set out below.

7. These recitals are an integral part of this Agreement.

1. INTERPRETATION

1.1 General Principles

This Agreement is intended to set out the general principles on which the parties will co-operate with respect to the regulation of Member Firms of the ACCFM with operations and activities as mutual fund firms in Quebec and elsewhere. It is acknowledged that many aspects of the implementation of this Agreement will be by practices and protocols between the parties as experience develops, and this Agreement, and policy and administrative matters under it, may be the subject of amendments or supplementary protocols and understandings. In all respects, this Agreement is to be implemented in a manner that preserves the respective jurisdiction of the parties (as set out in Section 1.3).

1.2 Definitions

The following terms as used in this Agreement or any document of the parties contemplated hereby shall have the meanings indicated, except as defined otherwise or the context requires:

"ACCFM IPC" means the Corporation de protection des investisseurs de l'ACCFM, a corporation created under Part II of the *Canada Corporations Act* by ACCFM;

"Approved Person" means an individual who is an Approved Person of a Member of the ACCFM under the Rules;

"Firm" means a legal person registered with the Autorité to pursue mutual fund brokerage activities in Quebec;

"FISF" means the Fonds d'indemnisation des services financiers established pursuant to the Act;

"Head Office" means:

(i) the principal or registered office of the Member Firm according to the legislation under which the Member Firm is incorporated; and

(ii) any office listed in Appendix A as may be amended from time to time by the Coordination Committee referred to in Section 3.5.

"Information" means all information, including personal information, recorded in writing on any storage medium whatsoever, in particular of the kinds referred to in Sections 2.1 and 2.2;

"Inspection" means, if carried out by the Autorité, an inspection in the sense of the Act or *An Act respecting the Agence nationale d'encadrement du secteur financier* (the "Agency Act"), and if carried out by the ACCFM, means an examination or investigation in the sense of the Rules;

"Investigation" done by the Autorité or the Chambre means an investigation within the meaning of the Agency Act;

"Members" means mutual fund dealers which are Members of the ACCFM but, for greater certainty, shall not include individuals or representatives who are Approved Persons;

"Member Firm" means a Firm which is a Member;

"Prudential Matters" means in respect of a Member those aspects of its structure and operations that affect its financial integrity including, without limitation,

(i) capital, margin, segregation, filing, reporting and audit matters which are the subject of ACCFM Rule 3;

(ii) insurance requirements which are the subject of ACCFM Rule 4;

(iii) systems and operations matters including internal controls and procedures and trading processing which are the subject of ACCFM Policy 4; and

(iv) systems and procedures relating to compliance and supervision requirements of Members with respect to operations outside Quebec;

"Regulations" means in respect of either the Autorité or the Chambre, the laws, regulations, orders or other regulatory directions or instruments which they (or either of them) administer or enforce from time to time including, without limitation, the Act, the QSA, the Agency Act and the Regulations made thereunder.

"Representatives" means individuals authorized pursuant to the Act to carry on mutual-related fund activities in Quebec;

"Rules" means the By-laws, Rules, Policies, Forms, orders, or other regulatory directions or instruments which the ACCFM administers or enforces from time to time.

1.3 Jurisdiction

1.3.1 Autorité and Chambre

The authority, capacity and jurisdiction of both the Autorité and Chambre are subject to the provisions of the Act, the QSA and other legislation and principles of law applicable in Quebec and the rights and obligations of each of the Autorité and Chambre pursuant to this Agreement are subject to such legislation and laws.

1.3.2 ACCFM

ACCFM is a self-regulatory organization, recognized as such in certain provincial jurisdictions other than Quebec, to which its Members belong and submit to self-regulation, subject to the laws in the applicable provinces of Canada.

1.3.3 Agreement

This Agreement is entered into pursuant to Section 189 of the Act and the entering into of this Agreement shall not constitute the recognition of the ACCFM as a self-regulatory organization in Quebec.

1.4 Premise

It is a premise of this Agreement that:

(a) the Rules of the ACCFM and Regulations of the Autorité and Chambre relating to business conduct and sales practices of Members and their Approved Persons are substantially similar and/or have the same regulatory objectives. Thus, Member Firms will, by complying with the Regulations of the Autorité relating to business conduct and sales practices in Quebec, comply with ACCFM Rules relating to the same subject matter;

(b) Prudential Matters of Member Firms related to Head Offices located in Quebec affect clients of Member Firms and the public both inside and outside Quebec;

(c) the Autorité, Chambre and the ACCFM have similar public interest mandates;

(d) the Autorité, Chambre and the ACCFM are performing similar regulatory activities; and

(e) it is in the respective interests of the parties to this Agreement and the public interest including Quebec clients of Member Firms that (i) the protection to clients and (ii) the administration of insolvent Member Firms be co-ordinated by separate agreement between the Autorité, the ACCFM, the ACCFM IPC and FISF as may be relevant, such agreement to be settled prior to the date the ACCFM IPC commences offering coverage.

Given the foregoing, the ACCFM considers that its mandate with respect to its Member Firms and Approved Persons registered under the Act can be satisfied by the performance of the Autorité and Chambre of their existing mandates under the Act and in accordance with the provisions of this Agreement.

1.5 Laws of Quebec

This Agreement is to be construed and governed by the laws of Quebec.

1.6 French Text

An English translation of this Agreement has been prepared for the convenience of the parties. In case of any divergence between the English translation and the French text of this Agreement, the French text shall prevail.

2. INFORMATION SHARING

2.1 Sharing

Each of the Autorité, Chambre and ACCFM receives and maintains Information pertaining to the business, operations and activities of Firms and Members, as the case may be, and their representatives, Approved Persons and employees, as the case may be. Subject to the restrictions set out in this Agreement including, without limitation, the provisions of Sections 2.3 and 2.4, the Autorité, Chambre and ACCFM shall make available to each other Information on the basis provided herein. A party may make such Information available to another party (a) on request by such party, (b) voluntarily without request or (c) pursuant to protocols or understandings developed and approved by the parties to be followed as a matter of course. Any Information so provided shall be in a format as agreed by the parties and may be specific as to any Member Firm, all Member Firms or class of

Member Firms and as to any subject matter or activity relating to a Member Firm, all Member Firms or class of Member Firms. It is expected that each party shall bear its own expenses in connection with the provision of Information hereunder, except that in any case where the costs of providing Information would be unfairly high or excessive the parties may agree to an appropriate basis of sharing such costs and, if such agreement is not reached, there shall be no obligation to provide Information under this Section 2.1.

2.2 Complaints

The Autorité or the Chambre, as the case may be, will advise the ACCFM on a periodic basis of the status or conclusion of any complaint described in Section 5.1.1. The ACCFM will advise the Autorité or the Chambre, as the case may be, on a periodic basis of the status or conclusion of any complaint described in Section 5.1.2.

2.3 Use and Confidentiality

All Information provided to a party hereunder shall be used solely in respect of the regulatory and enforcement activities of such party and shall be kept confidential and not disclosed to any other person except as (a) consented to by the party providing the Information, (b) to the extent the Information is in the public domain, or (c) specifically authorized by applicable law or a court or competent regulatory authority.

2.4 Privacy Legislation

The obligations of the parties to provide Information hereunder are subject to the restrictions of any privacy or similar legislation including, without limitation, *An Act respecting access to documents held by public bodies and the protection of personal information*, (R.S.Q., c.A-2.1.) and the *Agency Act* where applicable. The parties shall endeavour to administer their affairs and to the extent authorized make and enforce Regulations and Rules which permit the provision of Information hereunder including satisfying the requirement for the consent by Member Firms of the release and use of Information pursuant to this Agreement.

2.5 Notice of Agreement

It is acknowledged that the parties intend to give notice to Member Firms, representatives, governments and other regulators and to the public of the fact that this Agreement has been entered into, and the parties shall co-operate in settling the terms and format of such notices.

3. INSPECTIONS

3.1 Prudential Matters Inspections in Head Office

The Autorité, as lead jurisdiction, shall conduct Inspections in Quebec concerning the Prudential Matters of all Member Firms having Head Offices in Quebec. The ACCFM may cooperate with the Autorité in conducting such Inspections pursuant to the provisions of Section 3.5. For the purpose of permitting ACCFM to cooperate with the Inspections contemplated herein and ensuring that any Information relating thereto can be used by the Autorité, the Autorité shall recognize or designate representatives of ACCFM as inspectors of the Autorité. The ACCFM, as lead jurisdiction, shall conduct Inspections of all Member Firms having Head Offices outside Quebec. The Autorité may cooperate with the ACCFM in conducting such Inspections pursuant to the provisions of Section 3.5.

3.2 Business Conduct and Sales Practices Compliance

Subject to the provisions of Section 3.3, ACCFM acknowledges that it will not conduct Inspections in Quebec relating to the business conduct and sales practices compliance by its Member Firms and their representatives and their operations in Quebec and as they affect clients in Quebec and the Quebec public. In this regard ACCFM understands that the Autorité will conduct such Inspections and that the Chambre will act in a consulting role in audits of the quality and compliance of professional practices, in accordance with the Regulations.

3.3 Special Circumstances

3.3.1 In this Section, “Special Circumstances” means:

(a) for the ACCFM and the Autorité, in respect of Prudential Matters, an apparent financial problem that can cause insolvency of a Member Firm;

(b) for the ACCFM, in respect of business conduct and sales practices compliance, a situation that occurred outside Quebec that may demonstrate an apparent major compliance failure in respect of such practices;

(c) for the Autorité, in respect of business conduct and sales practices compliance, a situation that occurred in Quebec that may demonstrate an apparent major compliance failure in respect of such practices.

3.3.2 The ACCFM, when it becomes aware of Special Circumstances, may request that the Autorité or Chambre, as the case may be, conduct an Investigation or Inspection of a Member Firm situated in Quebec or of one of its representatives, in accordance with the Regulations. When it becomes aware of Special Circumstances, the Autorité or the Chambre, as the case may be, may ask the ACCFM to conduct an Investigation or Inspection of a Member Firm situated elsewhere in Canada. The party that has requested the Inspection may cooperate with the other party which becomes the lead jurisdiction. For the purpose of permitting the ACCFM to cooperate with such an Inspection in Quebec and ensuring that any Information relating thereto can be used by the Autorité, the Autorité shall recognize or designate representatives of ACCFM as inspectors of the Autorité.

3.4 Information

The results of any Inspections provided for in this Section 3 are to be considered Information for the purposes of Section 2.

3.5 Coordination Committee

The ACCFM and the Autorité will use its best efforts to develop a similar Inspection program and similar views and approaches related thereto. A coordination committee composed of Inspections staff of both parties shall be responsible for ensuring the follow-up of the application of the Inspection program. Such coordination committee shall determine the number of Member Firms that must be Inspected in a year and the scheduling of such Inspections.

3.6 Inspections Relating to Enforcement and Complaints

Notwithstanding the provisions of this Section 3, Inspections relating to enforcement and complaints shall be subject to the provisions of Section 5.

4. REGULATIONS AND RULES

4.1 Harmonization

The parties acknowledge that, subject to applicable laws, public policy and their respective mandates, substantially similar Regulations and Rules applicable to Member Firms, and their consistent application, is in the interests of the public, Member Firms and their clients. The manner in which the parties pursue the foregoing objective will be determined according to the particular Regulations and Rules identified and may include, without limitation, the procedures referred to in Sections 4.2 and 4.3. It is acknowledged that the Autorité or the Chambre may not have the power to make or amend such Regulations, or be responsible for initiating such actions by other authorities. It is acknowledged that under the terms of the legislation in certain provinces of Canada, or the terms on which ACCFM is recognized or authorized to operate, ACCFM may require the approval of other authorities to make or amend its Rules.

4.2 Development

The parties shall keep each other advised as to the development or proposed development of new or amended Regulations and Rules. Where the subject matter permits and it would otherwise be helpful, the parties will consult with each other, provide information to each other and/or engage in forums or committees to assist in the objective of substantially similar Regulations and Rules.

4.3 Notices of Regulations and Rules

The parties will use their best efforts to provide to each other in advance of publication any proposed notices, directions or other regulatory communications relating to the application or interpretation of their respective Regulations and Rules. The purpose of this process is to permit the party having received such information to comment on the proposed publication and/or to amend or co-ordinate the publication of its own such notices, directions or communications to assist the public, clients and Member Firms in understanding and complying with the Regulations and Rules.

5. ENFORCEMENT AND COMPLAINTS

5.1 Complaints

5.1.1 ACCFM

ACCFM shall refer any complaint it receives relating to the conduct of its Member Firms and Approved Persons in Quebec to the Autorité or Chambre, as appropriate. The Inspection related to any such complaint shall be carried out by the Autorité and the Chambre will act in a consulting role in audits of the quality and compliance of professional practices, in accordance with the Regulations in accordance with their respective practices and mandates.

5.1.2 Autorité and Chambre

The Autorité or Chambre shall refer any complaint it receives relating to the conduct of Member Firms and Approved Persons outside Quebec to ACCFM. The Inspection related to any such complaint shall be carried out by the ACCFM according to its practices and mandates.

5.2 Enforcement Regarding Member Firms

5.2.1 Business Conduct and Sales Practices Compliance

Enforcement actions in respect of Member Firms and Approved Persons in respect of or arising out of matters referred to in Section 3.2, shall be undertaken by the Autorité or Chambre, as the case may be, and not by the ACCFM.

5.2.2 Prudential Matters and Special Circumstances

Enforcement actions in respect of Member Firms in respect of or arising out of Prudential Matters referred to in Section 3.1 or the subject of an Inspection under Section 3.3 may be undertaken by the ACCFM**.**

5.2.3 General

The parties acknowledge that in order that enforcement actions apply everywhere in Canada, both the ACCFM and the Autorité must exercise their respective jurisdictions. Nothing in Section 5.2. shall preclude the Autorité or Chambre, as the case may be, from taking enforcement action pertaining to the same circumstances referred to in the preceding sentence.

5.3 Co-operation

The parties shall co-operate to the extent reasonable and practicable in co-ordinating and providing mutual assistance to each other in enforcement actions involving Member Firms and Approved Persons. Such co-operation shall include the provision of Information pursuant to Section 2, advance notice of proposed proceedings, joint settlement discussions where appropriate and the avoidance of double jeopardy in respect of Member Firms and Approved Persons.

6. GENERAL

6.1 Termination

This Agreement may be terminated on the delivery of not less than 180 days' prior written notice to the other parties.

6.2 Notices

Any notice or communication required under this Agreement shall be delivered in writing by courier or electronic means as set out below and, if given accordingly, shall be effective on receipt or, if by electronic means, on transmission and receipt by the sender of electronic confirmation of such successful transmission:

(a) if sent to the Autorité:

Place de la Cité, Tour Cominar
2640, Laurier Boulevard
4th Étage, Sainte-Foy (Québec)
G1V 5C1

Attention: Jean St-Gelais, President and Chief Executive Officer
Facsimile: (418) 528-2791
e-mail: jean.stgelais@lautorite.qc.ca

(b) if sent to the Chambre:

500, Rue Sherbrooke O.
7e Étage
Montréal, Québec
H3A 3C6

Attention: Yves Gagné, Executive Vice-President
Facsimile: (514) 282-2225
e-mail: ygagne@chambresf.com

(c) if sent to ACCFM:

121 King Street West
Suite 1600
Toronto, Ontario
M5H 3T9

Attention: Larry Waite, President and Chief Executive Officer
Facsimile: (416) 943-1218
e-mail: lwaite@mfda.ca

AGREED by the parties under the hands of their authorized representatives as of the date set out above.

AUTORITÉ DES MARCHÉS FINANCIERS

Per: _____

Per: _____

CHAMBRE DE LA SÉCURITÉ FINANCIÈRE

Per: _____

Per: _____

ASSOCIATION CANADIENNE DES COURTIERS DE FONDS MUTUELS

Per: _____

Per: _____

SCHEDULE B

TERMS AND CONDITIONS OF CONSENT

1. The MFDA must regulate its members on the basis that its members will, by complying with the Regulations of the Autorité and/or the Chambre relating to business conduct and sales practices in Québec, be deemed to be complying with MFDA Rules relating to the same subject matter.

2. Management of the MFDA must assess the effectiveness of the Co-operative Agreement every two years, including (a) the performance of the Autorité and the Chambre in monitoring and enforcing compliance by MFDA members in Québec with Regulations of the Autorité and/or the Chambre relating to business conduct and sales practices, and in investigating complaints against its members and their Approved Persons, and (b) whether the MFDA Rules and the Regulations of the Autorité and/or the Chambre continue to be harmonized. Management of the MFDA must report to the MFDA Board of Directors their assessment together with any recommendations for improvements. The MFDA must provide the Commission with a copy of these reports by June 15th following each biennial assessment (starting on June 15, 2010), and advise the Commission of any proposed actions arising from the reports.

3. The MFDA IPC does not provide coverage to Québec Customers.

4. This consent expires on the earliest of (a) the termination date of the Co-operative Agreement, (b) the date on which the MFDA IPC amends its coverage with respect to Québec Customers, and (c) a date determined by the Commission.

25.1.2 Grenville Gold Corporation – s. 4(b) of the Regulation

Headnote

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

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.
Securities Act, R.S.O. 1990, c. S.5, as am.
Business Corporations Act (British Columbia), S.B.C. 2002, c. 57.

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b) Securities Act, R.S.O. 1990, c. S.5, as am.

IN THE MATTER OF
R.R.O. 1990, REGULATION 289/00, AS AMENDED (the "Regulation")
MADE UNDER THE BUSINESS CORPORATIONS ACT (ONTARIO),
R.S.O. 1990 c. B.16, AS AMENDED (the "OBCA")

AND

IN THE MATTER OF
GRENVILLE GOLD CORPORATION

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of Grenville Gold Corporation (the "Applicant") to the Ontario Securities Commission (the "Commission") requesting the consent from the Commission to continue in another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

AND UPON the Applicant representing to the Commission that:

1. The Applicant was incorporated under the *Business Corporations Act* (Ontario) by articles of incorporation effective November 17, 1994.

2. The authorized share capital of the Applicant consists of an unlimited number of common shares of which 31,984,845 are issued and outstanding as at the record date, May 8, 2008, of the annual and special meeting of the shareholders of the Applicant held on June 19, 2008 (the "Meeting"). The common shares are listed for trading on the TSX Venture Exchange under the symbol "GVG".

3. The Applicant's head office and registered office are located at 93 Gloucester Street, Toronto, Ontario, M4Y 1M2.

4. The Applicant proposes to make an application to the Director under the OBCA pursuant to section 181 of the OBCA (the "Application for Continuance") for authorization to continue as a corporation under the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57 (the "BCBCA") (the "Continuance").

5. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation, the Application for Continuance must be accompanied by a consent from the Commission.

6. The Applicant is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act* (Ontario) (the "Act"). The Applicant is also a reporting issuer under the securities legislation of each of the provinces of Alberta and British Columbia.

7. The Applicant is not in default under any provision of the Act or the regulations or rules made under the Act or under the securities legislation of any other jurisdiction where it is a reporting issuer.

8. The Applicant is not a party to any proceedings or to the best of its knowledge, information and belief, any pending proceeding under the Act.

9. The holders of the common shares of the Applicant (the "shareholders") were asked to consider and, if thought fit, pass a special resolution authorizing the Continuance at the Meeting. The special resolution authorizing the Continuance was approved by 75.64% of the votes cast by the Applicant's shareholders.

10. The principal reason for the Continuance is that the Applicant's principal place of business is located, and the majority of the Applicant's management reside, in Vancouver, British Columbia.

11. The Applicant intends to remain a reporting issuer in Ontario, British Columbia and Alberta following the Continuance.

12. Pursuant to section 185 of the OBCA, all shareholders of record as of the record date for the Meeting were entitled to exercise dissent rights with respect to the Application for Continuance. The management information circular provided to the shareholders in connection with the Meeting advised the shareholders of their dissent rights under the OBCA.

13. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.

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

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

DATED at Toronto on this 11th day of July, 2008.

"James E. A. Turner"

"Wendell S. Wigle"

Index