The Ontario Securities Commission

OSC Bulletin

April 3, 2009

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

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

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

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Contact Centre - Inquiries, Complaints:	Fax: 416-593-8122
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One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

Customer Relations
Toronto 1-416-609-3800
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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

APRIL 3, 2009

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

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

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Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

April 6-17, 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: JEAT/DLK/PLK
April 7, 2009 2:00 p.m.	**Teodosio Vincent Pangia and Transdermal Corp.** s. 127 J. Feasby in attendance for Staff Panel: LER
April 8, 2009 10:00 a.m.	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 M. Mackewn in attendance for Staff Panel: LER
April 9, 2009 10:00 a.m.	**Howard Graham** s. 127 E.Cole in attendance for Staff Panel: PJL/ST
April 13-17, 2009 10:00 a.m.	**Matthew Scott Sinclair** s. 127 P. Foy in attendance for Staff Panel: WSW/ST

April 20-23 and 27, 2009 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 S. Horgan in attendance for Staff Panel: WSW/CSP
April 20-23; April 27, 29 – May 1, 2009 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 and 127(1) C. Price in attendance for Staff Panel: JEAT/DLK/MCH
April 28, 2009 2:30 p.m.	**Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney**
April 29-30, 2009 10:00 a.m.	s. 127 J. Superina in attendance for Staff Panel: PJL/ST/DLK
May 1, 2009 10:00 a.m.	**Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance** s. 127 J. Feasby in attendance for Staff Panel: TBA
May 4-29, 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
May 5, 2009 10:00 a.m.	**Berkshire Capital Limited, GP Berkshire Capital Limited, Panama Opportunity Fund and Ernest Anderson** s. 127 E. Cole in attendance for Staff Panel: WSW/ST
May 7-15, 2009 10:00 a.m.	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 and 127(1) D. Ferris in attendance for Staff Panel: TBA
May 11, 2009 10:00 a.m.	**Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans** s. 127 J. Waechter in attendance for Staff Panel: WSW/DLK/KJK
May 12, 2009 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: JEAT/ST
May 15, 2009 2:00 p.m.	**Rajeev Thakur** s. 127 M. Britton in attendance for Staff Panel: TBA

May 19-22; June 17-19, 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
May 25, 27 – June 2, 2009 10:00 a.m.	**Global Partners Capital, Asia Pacific Energy Inc., 1666475 Ontario Inc. operating as "Asian Pacific Energy", Alex Pidgeon, Kit Ching Pan also known as Christine Pan, Hau Wai Cheung, also known as Peter Cheung, Tony Cheung, Mike Davidson, or Peter McDonald, Gurdip Singh Gahunia also known as Michael Gahunia or Shawn Miller, Basis Marcellinius Toussaint also known as Peter Beckford, and Rafique Jiwani also known as Ralph Jay** s. 127 M. Boswell in attendance for Staff Panel: TBA
May 26, 2009 2:30 p.m.	**Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan** s. 127 H. Craig in attendance for Staff Panel: TBA
May 26, 2009 2:30 p.m.	**Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmoney, Harmoney Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale** s. 127 H. Craig in attendance for Staff Panel: TBA
May 26, 2009 2:30 p.m.	**Paul Iannicca** s. 127 H. Craig in attendance for Staff Panel: TBA
June 1-3, 2009 10:00 a.m.	**Robert Kasner** s. 127 H. Craig in attendance for Staff Panel: TBA
June 3, 2009 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
June 4, 2009 10:00 a.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: DLK/CSP/PLK
June 4, 2009 11:00 a.m.	**Abel Da Silva** s. 127 M. Boswell in attendance for Staff Panel: TBA
June 10, 2009 10:00 a.m.	**Global Energy Group, Ltd. and New Gold Limited Partnerships** s. 127 H. Craig in attendance for Staff Panel: TBA

June 15, 2009	**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: TBA
June 16, 2009 10:00 a.m.	**Sextant Capital Management Inc., Sextant Capital GP Inc., Sextant Strategic Opportunities Hedge Fund L.P., Otto Spork, Robert Levack and Natalie Spork** s. 127 S. Kushneryk in attendance for Staff Panel: TBA
July 23, 2009 10:00 a.m.	**W.J.N. Holdings Inc., MSI Canada Inc., 360 Degree Financial Services Inc., Dominion Investments Club Inc., Leveragepro Inc., Prosporex Investment Club Inc., Prosporex Investments Inc., Prosporex ltd., Prosporex Inc., Networth Financial Group Inc., Networth Marketing Solutions, Dominion Royal Credit Union, Dominion Royal Financial Inc., Wilton John Neale, Ezra Douse, Albert James, Elnonieth "Noni" James, David Whitely, Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill, Trudy Huynh, Dorlan Francis, Vincent Arthur, Christian Yeboah, Azucena Garcia and Angela Curry** s. 127 H. Daley in attendance for Staff Panel: TBA
August 10-17; 19-21, 2009 10:00 a.m.	**New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price** s. 127 S. Kushneryk in attendance for Staff Panel: TBA
September 3, 2009 10:00 a.m.	**Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York** s. 127 S. Horgan in attendance for Staff Panel: TBA
September 7-11, 2009; and September 30 – October 23, 2009 10:00a.m.	**Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** s. 127 M. Britton in attendance for Staff Panel: TBA
September 9, 2009 10:00 a.m.	**Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang** s. 127 and 127.1 M. Britton in attendance for Staff Panel: LER
September 21-25, 2009 10:00 a.m.	**Swift Trade Inc. and Peter Beck** s. 127 S. Horgan in attendance for Staff Panel: TBA
November 16-December 11, 2009 10:00 a.m.	**Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries** s. 127 and 127.1 M. Britton in attendance for Staff Panel: TBA

January 11, 2010 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: TBA
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	**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	**Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin** s. 127 H. Craig in attendance for Staff Panel: JEAT/MC/ST
TBA	**Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas** s. 127 P. Foy in attendance for Staff Panel: WSW/DLK/MCH
TBA	**Irwin Boock, Stanton De Freitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiants, Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group** s. 127(1) and (5) P. Foy in attendance for Staff Panel: TBA

TBA	**Xi Biofuels Inc., Biomaxx Systems Inc., Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels, Ronald Crowe and Vernon Smith**	
	s. 127	
	M. Vaillancourt in attendance for Staff	
	Panel: WSW/DLK	
TBA	**Gregory Galanis**	
	s. 127	
	P. Foy in attendance for Staff	
	Panel: TBA	
TBA	**Uranium308 Resources Inc., Uranium308 Resources PLC., Michael Friedman, George Schwartz, Peter Robinson, Alan Marsh Shuman and Innovative Gifting Inc.**	
	s. 127	
	M. Boswell in attendance for Staff	
	Panel: TBA	
TBA	**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: PJL/ST	

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

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

Global Petroleum Strategies, LLC, Petroleum Unlimited, LLC, Aurora Escrow Services, LLC, John Andrew, Vincent Cataldi, Charlotte Chambers, Carl Dylan, James Eulo, Richard Garcia, Troy Gray, Jim Kaufman, Timothy Kaufman, Chris Harris, Morgan Kimmel, Roger A. Kimmel, Jr., Erik Luna, Mitch Malizio, Adam Mills, Jenna Pelusio, Rosemary Salveggi, Stephen J. Shore and Chris Spinler

1.1.2 OSC Staff Notice 11-739 (Revised) – Policy Reformulation Table of Concordance and List of New Instruments

OSC STAFF NOTICE 11-739 (REVISED)

POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of March 31, 2009 has been posted to the OSC Website at www.osc.gov.on.ca under Policy and Regulation/Status Summaries.

Table of Concordance

Item Key
The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-CSA Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

Reformulation

Instrument	Title	Status
	None	

New Instruments

11-739	Policy Reforumulation Table of Concordance and List of New Instruments (Revised)	***Published January 9, 2009***
51-328	Continuous Disclosure Considerations Related to Current Economic Conditions	***Published January 9, 2009***
23-306	Status of the Transaction Reporting and Electronic Audit Trail System (TREATS)	***Published January 9, 2009***
11-312	National Numbering System	***Published February 6, 2009***
13-315	Securities Regulatory Authority Closed Dates 2009 (Revised)	***Published February 27, 2009***
51-327	Oil and Gas Disclosure: Resources Other than Reserves Data	***Published February 27, 2009***
13-502	Fees – Revocation and Replacement	***Notice of Commission approval published March 13, 2009***
13-503	Fees (*Commodity Futures Act*) – Revocation and Replacement	***Notice of Commission approval published March 13, 2009***

For further information, contact:
Darlene Watson
Project Coordinator
Ontario Securities Commission
416-593-8148
April 3, 2009

1.1.3 CSA Staff Notice 31-310 – Proposed NI 31-103 Registration Requirements and Proposed Companion Policy 31-103CP Registration Requirements

CSA STAFF NOTICE 31-310

PROPOSED NATIONAL INSTRUMENT 31-103
REGISTRATION REQUIREMENTS

AND

PROPOSED COMPANION POLICY 31-103CP
REGISTRATION REQUIREMENTS

On November 14, 2008, the Canadian Securities Administrators (the CSA or we) published CSA Staff Notice 31-309 indicating that we expected to complete work on proposed National Instrument 31-103 *Registration Requirements* (NI 31-103) by the end of April 2009, at which time we also expected to be in a position to provide a timetable for implementation.

We are now able to report that we expect to submit NI 31-103 to the CSA members for approval in June 2009, with the intention of publishing it in mid-July 2009. If NI 31-103 is then approved by the appropriate government authorities in each jurisdiction, it will come into force at the end of September 2009.

We will publish more detailed implementation guidance at a later date.

Questions

Please refer your questions to any of the following CSA staff:

Christopher Jepson
Senior Legal Counsel
Registrant Regulation
Ontario Securities Commission
Tel: 416-593-2379
cjepson@osc.gov.on.ca

Sophie Jean
Conseillère en réglementation
Surintendance de la distribution
Autorité des marchés financiers
Tel: 514-395-0337, ext. 4786
Toll-free: 1 877 525-0337
sophie.jean@lautorite.qc.ca

David McKellar
Director, Market Regulation
Alberta Securities Commission
Tel: 403-297-4281
david.mckellar@asc.ca

Laura Bliss
Senior Legal Counsel
Capital Markets Regulation
British Columbia Securities Commission
Tel: 604-899-6666
1-800-373-6393 (in B.C. and Alberta)
lbliss@bcsc.bc.ca

Dean Murrison
Deputy Director, Legal/Registration
Saskatchewan Financial Services Commission
Tel: 306-787-5879
dean.murrison@gov.sk.ca

April 3, 2009

1.1.4 Natural Gas Exchange Inc. – Application for Exemptive Relief – Notice of Commission Order

NATURAL GAS EXCHANGE INC.

APPLICATION FOR EXEMPTIVE RELIEF

NOTICE OF COMMISSION ORDER

On March 31, 2009, the Commission granted Natural Gas Exchange Inc. (NGX) an exemption from: (1) the requirement that NGX be registered as a commodity futures exchange under section 15 of the *Commodity Futures Act* (Ontario) (CFA); (2) the registration requirements of section 22 of the CFA with respect to trades by NGX participants in Ontario in NGX contracts; (3) the requirements of section 33 of the CFA with respect to the trading of NGX contracts by participants in Ontario; and (4) the requirement to be recognized as a stock exchange under section 21 of the *Securities Act* (Ontario).

The Commission published the NGX application and proposed exemption order for comment on January 23, 2009. No comments were received.

A copy of the exemption order is published in Chapter 2 of this Bulletin.

1.2 Notices of Hearing

1.2.1 Andrew Keith Lech – s. 127

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

AND

IN THE MATTER OF
ANDREW KEITH LECH

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Commission will hold a hearing pursuant to section 127 of the *Securities Act*, at the offices of the Ontario Securities Commission, 20 Queen Street West, 17th Floor on Friday, June 5, 2009 at 10:00am. or as soon thereafter as the hearing can be held:

TO CONSIDER whether, pursuant to section 127 of the Act, including subsection 127(10), it is in the public interest for the Commission:

a. to make an order pursuant to section 127(1) clause 2 of the Act that trading in securities by the Respondent cease permanently or for such period as specified by the Commission;

b. to make an order pursuant to section 127(1) clause 2.1 of the Act that acquisition of any securities by the Respondent be prohibited permanently or for such period as is specified by the Commission;

c. to make an order pursuant to subsection 127(1) clause 3 of the Act that any exemptions in Ontario securities law do not apply to the Respondent permanently or for such period as specified by the Commission;

d. to make an order pursuant to subsection 127(1) clause 6 of the Act that the Respondent be reprimanded by the Commission;

e. to make an order pursuant to section 127(1) clause 7 of the Act that the Respondent resign any position that the Respondent holds as a director or officer of an issuer;

f. to make an order pursuant to section 127(1) clause 8 of the Act that the Respondent be prohibited from becoming or acting as an officer or director of any issuer permanently or for such period as specified by the Commission;

g. to make an order pursuant to section 127(1) clause 8.4 that the Respondent be prohibited from becoming or acting as a director or officer of an investment fund manager;

h. to make an order pursuant to section 127(1) clause 8.5 that the Respondent be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter; and,

i. to make such other order or orders as the Commission considers appropriate.

BY REASON of the allegations set out in the Amended Statement of Allegations of Staff and such additional allegations as counsel may advise and the Commission may permit;

AND FURTHER TAKE NOTICE that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the hearing;

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

BY REASON OF the allegations set out in the Amended Statement of Allegations dated March 20, 2009 and such additional allegations as counsel may advise and the Commission may permit;

DATED at Toronto this 23rd day of March, 2009.

"John Stevenson"
Secretary to the Commission

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

AND

IN THE MATTER OF
ANDREW KEITH LECH

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

Staff of the Ontario Securities Commission make the following allegations:

Background

1. Andrew Keith Lech ("Lech") is an individual residing in Toronto, Ontario.

2. Lech was registered with the Ontario Securities Commission (the "Commission") between April 10, 1987 and June 15, 1987 as a salesperson with B.M. Young & Partners Securities Inc. His registration was restricted to soliciting expressions of interest only from prospective clients to receive company advertising.

3. Lech has never been registered with the Commission in any other capacity at any other time.

Lech's Guilty Plea and Sentence

4. On October 18, 2007, Lech pled Guilty in the Ontario Superior Court of Justice to a single count of fraud over $5000, which took place between January 1, 2001, and May 1, 2003.

5. For the fraud to which he pled guilty, Lech was sentenced to 6 years in the penitentiary. In rendering sentence, Madam Justice Templeton noted that the sentence was in the appropriate range because it was to be served in addition to the 40 months Lech had already served on a related civil contempt matter for an effective total period of detention of nine years.

Agreed Facts Supporting the Guilty Plea

6. As part of his plea of guilt, Lech admitted the truth an Agreed Statement of Facts (the "Agreed Facts") that was filed as an exhibit in that proceeding. The Agreed Facts described how Lech opened what is commonly referred to as a "Ponzi" scheme of enormous proportions. In short, Lech admitted to having accepted millions of dollars from investors on the basis of a promise that he would invest it on their behalf, guarantee the return of the capital and provide extremely high rates of return. At different times he offered investors rates of interest ranging from 15%

annually to 40% on 10 week investment contracts. Lech admitted that he invested almost none of the money and the returns he delivered to earlier investors were redistributions of deposits from later investors.

7. In the Agreed Facts, Lech acknowledged the results of a forensic audit conducted as part of the criminal investigation. That audit revealed that over 95% of the monies he accepted from investors was never invested and showed that between January 2001 and September 2003 Lech took in investments of at least $35,900,000 CDN and $10,000,000 USD.

8. The Agreed Facts detail how Lech, with the assistance of several intermediaries, posed as a sophisticated and highly skilled futures and options trader who had enjoyed great success managing his own massive family fortune. Lech acknowledged that in recruiting investors, he and his intermediaries traded on his association with the Baptist Church community in Oshawa, the church communities of his intermediaries, his false claims that he was a member of an extremely wealthy family who had founded a well-known securities brokerage, his relationships with members of the minor league hockey community in which his children played and the word of mouth generated by the high returns he delivered to investors.

9. As part of his plea of guilt, Lech also acknowledged the following in the Agreed Facts:

   (a) Lech was born and raised in Peterborough, Ontario;

   (b) He has four children with his former wife;

   (c) He was raised in a family of modest means;

   (d) He attended night classes at York University in Toronto and then worked with a brokerage company through a co-op program;

   (e) Lech was not known to have worked in 15-18 years prior to 2003, but his family believed he worked as an investor in the stock market;

   (f) His family had been investing with him for 20 years prior to 2003;

   (g) Lech met members of the Calvary Baptist Church in Oshawa, Ontario, while working at their summer sports camp and several years later began passing himself off to the members of the church as an "investment guru" who had an uncanny ability to generate large returns in the options and futures markets;

   (h) Lech also passed himself off as a member of a long-established and very wealthy Canadian family and claimed to be managing investors' funds as part of the process of managing his large family fortune;

   (i) Lech claimed to have been taught to trade by his grandmother, whom he said had been the part owner of Richardson Greenshields, then a well-known national Securities brokerage;

   (j) Lech took on numerous investors through "word of mouth" publicity in the Baptist church community;

   (k) Lech encouraged members of the Baptist church to believe that he was allowing fellow Baptists to invest with him as a service to his fellow Christians and offered preferential rates of return to members of the clergy in the Baptist church;

   (l) Lech associated himself with Gary McNaughton ("McNaughton"), Dennis Yacnowiec ("Yacnowiec"), Dan Shuttleworth ("Shuttleworth") and Joseph Vandervelden ("Vandervelden") (collectively, the "intermediaries") to assist him in operating his investment scheme;

   (m) The intermediaries took over the bulk of the recruiting of investors for Lech, managed the relationships with most of the investors and expanded the operation of the scheme into other areas of the province and into the State of Ohio;

   (n) For their services in recruiting and managing investors, Lech paid the intermediaries higher rates of interest on their own investments and gave them additional monthly payments;

   (o) As part of their recruitment of new investors, the intermediaries repeated Lech's claims of financial expertise, his assertions of massive family wealth, his associations with the Baptist church and his guarantees of unrealistic returns;

   (p) Each of the intermediaries collected money on Lech's behalf and each month distributed money he provided to them as "interest" to the investors they managed;

(q) Neither Lech nor the intermediaries provided any documentation to investors with any details of the nature of his investments on their behalf or the level of risk associated with those investments;

(r) The intermediaries provided investors with simple promissory notes for the amounts they deposited;

(s) Lech paid higher rates of return to investors who deposited more money with him, initially paying up to 20% annual returns for deposits of over $100,000;

(t) In the latter months of the investment scheme, Lech guaranteed investors a 40% return on tend week and three month investment contracts;

(u) In response to inquiries about the income tax implications of the "investment", Lech informed his clients that their returns were tax free because he had already paid the tax through his own investment company, since their funds were commingled with his family portfolio;

(v) McNaughton moved with his family to Elyria, Ohio, in 1996, to join The Church of the Open Door, and as of 1999 began recruiting investors through his church and the religious school his children attended;

(w) Lech travelled to Elyria, Ohio, and made a presentation to potential investors at the Church of the Open Door;

(x) McNaughton was investigated by the United States Securities and Exchange Commission (the "SEC") and the US Postal Inspection Service, and plead guilty to securities fraud, unlawful sale of unregistered securities, mail fraud and attempted income tax evasion, and in May 2007 was sentenced to 5¼ years in prison without parole for his involvement in Lech's investment scheme;

(y) Yacnowiec recruited and managed a group of investors in the Oshawa area, which grew to 28 people;

(z) Shuttleworth initially worked with McNaughton, but in 2002 began recruiting and managing his own group of investors, which grew to 75 people at the peak of the scheme;

(aa) In 1998, Shuttleworth had business cards printed stating "Secure Investments Guaranteed High Rates of Return", which he distributed among friends and family;

(bb) Shuttleworth distributed money to his investors through electronic transfers he effected through the Canadian Imperial Bank of Commerce ("CIBC");

(cc) In 2002, CIBC began investigating Shuttleworth's accounts and met with Shuttleworth, McNaughton and Lech;

(dd) Following their investigation, CIBC formed the opinion that a Ponzi scheme was being operated and contacted the Commission;

(ee) In response to the actions of CIBC, Shuttleworth and Lech walked away from an account containing over $200,000 and set up their banking at another institution;

(ff) Vandervelden was formerly a licensed mutual fund dealer and the branch manager of Cartier Partners, an investment firm in London, Ontario;

(gg) Vandervelden began by investing his own money in Lech's scheme in 2001 and by 2003 was brokering deals between Lech and his own customers at Cartier Partners, using the offices and employees of his investment firm to effect the transactions and accepted investments from at least 54 people;

(hh) Lech maintained his own stable of investors consisting of high net worth individuals and the parents he met through attending the minor league hockey games of his two sons;

(ii) Lech's sons played for the Wexford Raiders hockey team, based in Scarborough, Ontario, and Lech's alleged investing prowess spread by word of mouth through the parents involved in that organization with the result that a number of people invested in the scheme;

(jj) Lech also dealt with larger investors on a personal basis and met with them individually at hotels in the Toronto area to solicit their investments in his scheme;

(kk) A forensic audit covering the period between January 2001 and September 2003 revealed that Lech received at least $35,900,000 CDN and $10,000,000 USD during that period from investors managed by Lech and his intermediaries;

(ll) The forensic audit further revealed that over 95% of the funds received were never invested.

Reasons for Sentence

10. After accepting Lech's plea of guilty to the charge of fraud over $5000 on October 18, 2007, Madam Justice Templeton sentenced him to six years incarceration. In passing sentence, Her Honour made the following remarks:

> There is absolutely no doubt I have that the activities of Mr. Lech – your activities, sir – and the activities of the intermediaries have devastated people beyond imagining financially and emotionally. . . . [I]nvestor after investor . . . took savings, insurance money, life investments, and handed it over on the basis of trust that you would act as you had promised you would, as you would tell them you would. Not only have their lives been devastated financially, as I have indicated, they have been devastated emotionally and there will be no recovery.
>
> You have spent [40 months in custody] on a civil contempt matter. I am obliged to take that into account in my view, and ought to take that into account by virtue of the fact that it arises from these same transactions that are now before the Court and also resulted in a deprivation of your liberty. . . . Therefore I am willing to accept the six year joint submission recommendation of counsel because in effect, as a result of your activities and the consequences thereof, it deprives your liberty and places you behind bars for a period of nine years, which is in the range for this kind of massive, massive fraud.

11. Staff pleads and relies upon all the facts admitted in the Agreed Facts as part of the guilty plea and all of Madam Justice Templeton's reasons for sentence.

Violations of the *Securities Act*

12. Lech's conduct, as described above, constitutes trading in securities without registration, contrary to section 25 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act").

13. Lech's conduct, as described above, constitutes advising in securities without registration, contrary to section 25 of the Act.

14. Lech's conduct, as described above, constitutes making representations concerning the future value of securities with the intention of effecting trades in such securities, contrary to section 38(2) of the Act.

15. Lech's conduct, as described above, constitutes a distribution of securities conducted without a prospectus, contrary to section 53 of the Act.

16. Lech's conduct, described above, constitutes a fraud related to securities, contrary to s. 126.1 of the Act.

Conduct Contrary to the Public Interest

17. Lech's conduct, as described above, is contrary to the public interest.

18. Lech failed to provide adequate disclosure to his investors concerning his investment activities, including failing to specify how and where their funds are invested, and any risks associated with their investments.

19. Lech failed to deal fairly, honestly and in good faith with his investors.

20. Such additional allegations as Staff may advise and the Commission may permit.

21. Pursuant to s. 127(10)1 and 127(10)2 of the Act, the October 18, 2007, conviction of Lech for a criminal offence related to securities may form the basis of an order in the public interest in Ontario under s. 127(1).

DATED at Toronto, this 20th day of March, 2009.

1.2.2 Oversea Chinese Fund Limited Partnership et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
OVERSEA CHINESE FUND LIMITED PARTNERSHIP,
WEIZHEN TANG AND ASSOCIATES INC.,
WEIZHEN TANG CORP. AND
WEIZHEN TANG

AMENDED NOTICE OF HEARING
Section 127 and Section 127.1

WHEREAS on the 17th day of March, 2009, the Ontario Securities Commission (the "Commission") ordered:

1. pursuant to clause 2 of subsection 127(1) of the Act that all trading in securities of Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc. and Weizhen Tang Corp. shall cease;

2. pursuant to clause 2 of subsection 127(1) of the Act that all trading by Weizhen Tang, Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc. and Weizhen Tang Corp. shall cease; and

3. pursuant to clause 3 of subsection 127(1) of the Act that the exemptions contained in Ontario securities law do not apply to Weizhen Tang, Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc. and Weizhen Tang Corp.;

(the “Temporary Order”);

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

AND WHEREAS on March 13, 2009, a Notice of Hearing was issued by the Secretary’s Office of the Commission stating that a hearing (the “Hearing”) was to be held at the offices of Commission at 20 Queen Street West, 17th Floor Hearing Room on Wednesday, the 1st day of April, 2009 at 2:00 p.m. or as soon thereafter as the hearing can be held;

TAKE NOTICE that the location of the Hearing has been moved and that the Hearing will now be held in the 22nd Floor Meeting Room of the offices of Commission at 20 Queen Street West, Toronto, Ontario on Wednesday, the 1st day of April, 2009 at 2:00 p.m. or as soon thereafter as the hearing can be held.

DATED at Toronto this 31st day of March, 2009.

“John Stevenson”
Secretary

1.3 News Releases

1.3.1 Terms of CSA Chair and Vice-Chair Renewed

FOR IMMEDIATE RELEASE
March 30, 2009

TERMS OF CSA CHAIR AND VICE-CHAIR RENEWED

Montréal – The Canadian Securities Administrators (CSA) have renewed the term of Jean St-Gelais as Chair of the CSA for one year. Mr. St-Gelais, President and CEO of the Autorité des marchés financiers (AMF), has served as CSA Chair since April 2005.

"In the current economic environment, the CSA play a leading role in promoting fair and efficient capital markets for the benefit of all Canadians," said Mr. St-Gelais. "I look forward to continued cooperation with my colleagues from other jurisdictions in our efforts to harmonize and improve the regulation of Canada's capital markets and to effectively enforce securities legislation."

The term of CSA Vice-Chair Don Murray, Chair of the Manitoba Securities Commission, was also renewed for one year. "We will continue to focus on our fundamental objectives, which are to provide protection to investors and ensure confidence in Canada's capital markets," said Mr. Murray. "We will remain attentive to current market conditions and public concerns," Mr. Murray added.

CSA members voted to extend the terms of the Chair and Vice-Chair during meetings held in Toronto on March 26 and 27, 2009. The members also renewed the term of David Wilson, Chair of the Ontario Securities Commission, as Chair of the Policy Coordination Committee for one year until March 31, 2010.

The CSA, the council of securities regulators of Canada's provinces and territories, coordinate and harmonize regulation for the Canadian capital markets.

Information:

Sylvain Théberge
Québec Autorité des marchés financiers
514-940-2176

Mark Dickey
Alberta Securities Commission
403-297-4481

Andy Poon
British Columbia Securities Commission
604-899-6880

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Wendy Connors-Beckett
New Brunswick Securities Commission
506-643-7745

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

Donn MacDougall
Securities Office
Northwest Territories
867-920-8984

Natalie MacLellan
Nova Scotia Securities Commission
902-424-8586
Louis Arki
Securities Office
Nunavut
867-975-6587

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

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

Barbara Shourounis
Saskatchewan Financial Services Commission
306-787-5842

Fred Pretorius
Securities Office
Yukon
867-667-5225

1.4 Notices from the Office of the Secretary

1.4.1 Andrew Keith Lech

FOR IMMEDIATE RELEASE
March 26, 2009

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

AND

IN THE MATTER OF
ANDREW KEITH LECH

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on June 5, 2009, at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 23, 2009 and Amended Statement of Allegations of Staff of the Ontario Securities Commission dated March 20, 2009 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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

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

1.4.2 Howard Graham

FOR IMMEDIATE RELEASE
March 27, 2009

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

AND

IN THE MATTER OF
HOWARD GRAHAM

TORONTO – Following a hearing held yesterday in the above matter, the Commission issued an Order adjourning the hearing until April 9, 2009 at 10.00 a.m. or such other date as may be agreed by the parties and fixed by the Secretary to the Commission.

A copy of the Order dated March 26, 2009 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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

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416-593-8314
1-877-785-1555 (Toll Free)

1.4.3 Oversea Chinese Fund Limited Partnership et al.

FOR IMMEDIATE RELEASE
March 31, 2009

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

AND

IN THE MATTER OF
OVERSEA CHINESE FUND LIMITED PARTNERSHIP,
WEIZHEN TANG AND ASSOCIATES INC.,
WEIZHEN TANG CORP. AND
WEIZHEN TANG

TORONTO – The Office of the Secretary issued an Amended Notice of Hearing which provides that the Hearing has been moved and that the Hearing will now be held in the 22nd Floor Meeting Room of the offices of Commission at 20 Queen Street West, Toronto, Ontario on Wednesday, the 1st day of April, 2009 at 2:00 p.m.

The purpose of the hearing is to extend the Temporary Cease Trade Order issued on March 17, 2009 and to adjourn the hearing of the matter.

A copy of the Amended Notice of Hearing dated March 31, 2009 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Director, Communications
& Public Affairs
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Laurie Gillett
Manager, Public Affairs
416-595-8913

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

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

1.4.4 Oversea Chinese Fund Limited Partnership et al.

FOR IMMEDIATE RELEASE
April 1, 2009

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

AND

IN THE MATTER OF
OVERSEA CHINESE FUND LIMITED PARTNERSHIP,
WEIZHEN TANG AND ASSOCIATES INC.,
WEIZHEN TANG CORP. AND
WEIZHEN TANG

TORONTO – The Commission issued an Extension of Temporary Order today which provides that (1) the Temporary Order is extended to September 10, 2009; and (2) the hearing in this matter is adjourned to September 9, 2009 at 10:00 a.m. or as soon thereafter as the hearing can be held.

A copy of the Extension of Temporary Order dated April 1, 2009 is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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

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416-593-8314
1-877-785-1555 (Toll Free)

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 ITG Canada Corp.

Headnote

Application for an order, pursuant to pursuant to (i) section 80 of the Commodity Futures Act (CFA) granting relief from sections 42, 43, 44 and 45 of the CFA and (ii) section 147 of the Securities Act (OSA) granting relief from section 36 of the OSA, which contain the requirement to deliver certain confirmations and statements of trade to customers in respect of trades in commodity futures contracts and commodity futures options as well as equity options in the context of trade "give-ups".

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 36, 147.
Commodity Futures Act, R.S.O. 1990, c. C.20, ss. 42, 43, 44, 45, 80.

September 19, 2008

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

AND

IN THE MATTER OF
R.R.O. 1990, REGULATION 90 –
COMMODITY FUTURES ACT REGULATION,
AS AMENDED (the CFA REGULATION)

AND

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

AND

IN THE MATTER OF
ITG CANADA CORP.
(the Applicant)

DECISION

UPON the application (the **Application**) by ITG Canada Corp. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for a decision pursuant to (i) section 80 of the CFA granting relief from sections 42, 43, 44 and 45 of the CFA and (ii) section 147 of the OSA granting relief from section 36 of the OSA, which contain the requirement to deliver certain confirmations and statements of trade to customers in respect of trades in commodity futures contracts and commodity futures options as well as equity options in the context of trade "give-ups".

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant is a corporation formed under the laws of Nova Scotia.

2. The head office of the Applicant is located in Toronto, Ontario.

3. The Applicant is a member of the Investment Industry Regulatory Organization of Canada (**IIROC**). The Applicant is also registered as an investment dealer under the Act. The Applicant is also a participating organization of the TSX and TSX-V.

4. The Applicant intends to register under the CFA to trade commodity futures contracts and commodity futures options. In addition, the Applicant intends to register as an approved participant on the MX.

5. The Applicant engages in the following two, distinct types of customer trading relationships:

   (a) the Applicant acts as executing and introducing broker for customers; and

   (b) the Applicant acts solely as executing broker in give-up transactions.

6. The Applicant only provides trading services to "institutional customers" as defined in IIROC Rule 2700.

7. In a typical give-up situation, a customer has an existing relationship with its clearing broker, and has signed account documentation with such clearing broker, but desires to utilize one or several other executing brokers for purposes of executing on one or more markets, whether domestic or global. In such an instance, the executing broker will execute trades as directed by the customer and "give-up" such trades to the clearing broker via various futures exchange mechanisms that allow for and govern this procedure, as more fully explained below. The customer does not sign account documentation with the executing broker, nor does the executing broker receive monies, securities, margin or

collateral from the customer. The customer is a customer of the clearing broker and the executing broker is merely providing a limited execution transaction service. The executing broker is responsible for its own record keeping, book-keeping, custody, and other requirements with respect to its customers, but is not responsible for most of these requirements with respect to an execution only customer, as that customer is on the books of the clearing broker.

8. Each give-up trade executed by Applicant is captured in the Applicant's books and records and accounting system. A daily control performed by Applicant's back-office identifies equity options, commodity futures contracts and commodity futures options positions held by the Applicant and not allocated to any of its customers' accounts. Each such position is investigated and is either i) sent to the clearing broker as a trade that was executed under a give-up agreement, or ii) upon receipt of new instructions allocated to a customer's account. For each customer a monthly invoice detailing all give-up trades for a given month is sent to the clearing broker. After reconciliation with the clearing broker's own records, the clearing broker pays the invoice sent by Applicant. Consequently, upon payment of any invoice sent by Applicant to the clearing broker, the Applicant considers the invoice as evidence of trade reconciliation between its internal accounting and the client.

9. The Applicant is in compliance with IIROC requirements relating to the maintenance of records of executed transactions.

10. Section 42 of the CFA requires that a registered dealer that has acted as an agent in connection with a trade in a commodity futures contract promptly send customers a written confirmation of trade.

11. Section 43 of the CFA requires that a registered dealer that has acted as an agent in connection with a liquidating trade in a commodity futures contract promptly send customers a written statement of purchase and sale.

12. Section 44 of the CFA requires that registered dealers send customers a written monthly statement.

13. Section 45 of the CFA requires that a registered dealer that has acted as an agent in connection with a trade in a commodity futures option send customers a written confirmation of a trade.

14. Section 36 of the OSA requires that a registered dealer that has acted as principal or agent in connection with any trade in a security promptly send customers a written confirmation of the trade.

15. The Applicant is seeking a decision from the Commission pursuant to section 80 of the CFA that it be exempt from the sections 42, 43, 44 and 45 of the CFA with respect to give-up arrangements because the imposition of those requirements is unnecessary, duplicative and not industry practice globally in the futures market.

16. Although the Applicant is not yet registered under the CFA, IIROC has advised that the OSC exemption must be granted first before IIROC will grant similar relief.

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

THE DECISION of the Commission is that the Applicant is exempt from the requirements of sections 42, 43, 44 and 45 of the CFA, section 36 of the OSA for the purposes of the Applicant acting as executing broker for give-up transactions where the clearing broker provides customers a written confirmation of the trades, provided that the Applicant enters into a give-up agreement with the clearing broker and the customer.

"Paulette Kennedy"
Commissioner
Ontario Securities Commission

"Paul K. Bates"
Commissioner
Ontario Securities Commission

2.1.2 Centerplate, 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 under applicable securities laws – Only a *de minimis* number of Note holders are residents of Canada – Issuer has no present intention of seeking public financing by way of an offering of its securities in any jurisdiction of Canada – No securities of the issuer trade on any market or exchange in Canada – Order that the issuer is not a reporting issuer under applicable securities laws would not be prejudicial to the public interest – Requested relief granted.

Applicable Legislative Provisions

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

March 27, 2009

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

AND

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

AND

IN THE MATTER OF
CENTERPLATE, INC. (the Filer)

DECISION

Background

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

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

(a) the Ontario Securities Commission 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.

Representations

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

1. The Filer is a corporation governed by the laws of the State of Delaware with its principal office located in Stamford, Connecticut.

2. The authorized capital of the Filer consists of 1,000 shares of common stock ("**Shares**"). As of the date hereof, 1,000 shares of common stock of the Filer are issued and outstanding.

3. The Filer is a reporting issuer in each of the Jurisdictions and was a registrant with the United States Securities & Exchange Commission (**SEC**). The Filer's income deposit securities (**IDSs**) were listed for trading on the NYSE Alternext US LLC (formerly, the American Stock Exchange) (**AMEX**) and the Toronto Stock Exchange (**TSX**).

4. Each IDS was a unit consisting of one share of common stock, par value US$0.01, of the Filer (the **Common Stock**), and a 13.5% subordinated note due 2013 with a principal amount of US$5.70 (the **Note**).

5. Except for the Shares and Notes, the Filer has no outstanding securities.

6. The Filer issued the IDSs in Canada pursuant to the prospectus dated December 4, 2003 filed on SEDAR for which the Jurisdictions granted a receipt.

7. On September 18, 2008, the Filer entered into an Agreement and Plan of Merger (the **Original Merger Agreement**) with KPLT Holdings, Inc., a Delaware corporation (**Parent**), and KPLT Mergerco, Inc., a Delaware corporation and wholly-owned subsidiary of Parent (**Merger Sub**) as amended by the Amendment to Agreement and Plan of Merger dated December 23, 2008, (the **Amendment** and taken together with the Original Merger Agreement, the **Merger Agreement**). Parent and Merger Sub are entities directly and indirectly owned by Kohlberg Investors VI, L.P. an affiliate of Kohlberg & Company. Under the terms of the Merger Agreement, Merger Sub was merged with and into the Filer, with the Filer continuing as the surviving corporation (the **Merger**) at the effective time of the Merger.

8. The Merger Agreement contemplated that the approval of the Merger would be effected through

(i) a proxy solicitation to approve the Merger by security holders, and (ii) a tender offer (the **Debt Tender**) and a consent solicitation (the **Consent Solicitation**) to purchase up to a maximum of 70% of the issued and outstanding Notes for cash consideration of US$2.49 per Note and to effect certain amendments to the indenture governing the Notes (the **Indenture**).

9. The Filer effected the proxy solicitation by mailing a proxy statement dated December 23, 2008, as supplemented on January 15, 2009, (collectively, the **Proxy Statement**) on Schedule 14A pursuant to the *Securities Exchange Act of 1934* (the **Exchange Act**) to security holders and by filing the Proxy Statement with SEC and the securities regulatory authority in each of the Jurisdictions.

10. The Proxy Statement disclosed that if the Merger were consummated, the IDSs would be de-listed from the AMEX and TSX, de-registered under the Exchange Act, and that the Filer would make an application to cease to be a reporting issuer in Canada. Further, the Proxy Statement informed security holders that following consummation of the Merger, the Filer would no longer file periodic and other reports with the SEC or the securities regulatory authorities in Canada on account of the IDSs.

11. Simultaneously with the proxy solicitation, the Filer commenced the Debt Tender and Consent Solicitation. Security holders were sent an Offer to Purchase and Consent Solicitation Statement dated December 23, 2008 (the **Offer to Purchase**) and a Consent and Letter of Transmittal (the **Consent and Letter of Transmittal** and, together with the Offer to Purchase, the **Debt Tender Documents**) regarding the Debt Tender and Consent Solicitation. UBS Investment Bank acted as dealer manager and solicitation agent in connection with the Debt Tender and MacKenzie Partners, Inc. acted as information agent for the Proxy Statement and Debt Tender. In order to tender any Notes, security holders were required to consent to the proposed amendments (the **Proposed Amendments**) to the Indenture which would, among other things, (a) provide for the automatic separation of the IDSs upon the consummation of the Merger, and (b) eliminate the affirmative covenant of the Filer to file reports specified in sections 13 and 15(d) of the Exchange Act with the SEC. The Debt Tender Documents disclosed that, following the consummation of the Merger, there would be no trading market for the Notes and that the Filer would no longer be required to file annual, quarterly and other reports with the SEC.

12. On January 26, 2009, the Debt Tender expired and holders of US$73,200,198 of the outstanding Notes, which represents approximately 61.2% of the US$119,596,334.10 outstanding principal amount of Notes, tendered their Notes and delivered consents. US$46,396,136.10 of Notes remain outstanding (which represents the Notes forming part of 8,139,673 of the Filer's 20,981,813 IDSs outstanding just prior to consummation of the Merger). All Notes not tendered under the Debt Tender remain outstanding and entitle the holder to the rights specified in the Indenture as amended by the Supplemental Indenture dated January 23, 2009.

13. On January 27, 2009, at a special meeting of security holders (the **Meeting**), the Filer's security holders voted to approve the Merger by the requisite majority under applicable law. Following the Meeting on January 27, 2009, the Merger closed and a certificate of merger was filed with the Delaware Secretary of State and KPLT Holdings, Inc. became the sole stockholder of the Filer. Upon consummation of the Merger, the Notes and the shares of Common Stock comprising the IDSs were separated. Each issued and outstanding share of Common Stock was cancelled and converted automatically into the right to receive US$0.01 in cash and each Note properly tendered to the Debt Tender became entitled to receive US$2.49 per Note plus accrued and unpaid interest.

14. Based on information provided to the Filer by Broadridge, which reported on approximately 93% of the issued and outstanding Notes as of February 6, 2009, the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by: (i) 8 security holders in Québec, 13 security holders in Ontario, 4 security holders in Manitoba, 1 security holder in Saskatchewan, 2 security holders in Alberta, 3 security holders in British Columbia and 1 security holder in an unknown address in Canada, for a total of 32 security holders resident in Canada. Based on Broadridge data, as of February 6, 2009, Note holder residents of Canada represented approximately 0.4% of the Filer's total number of Note holders and the number of Notes held by residents of Canada represented approximately 1.12% of the total issued and outstanding Notes.

15. The Filer has taken all reasonable steps to determine the number of security holders residing in the Jurisdictions. The Notes are held in the Depository Trust Company (**DTC**) in book-entry form. As a result, the Filer does not have direct access to beneficial security holder data and must rely on the searches conducted by Broadridge of DTC and its participants. The Filer engaged Broadridge to search its beneficial security holder information following the closing of the Merger. Broadridge has reported on the geographical ownership of approximately 93% of the issued and outstanding Notes and has confirmed to the Filer

that its searches are unable to report on 100% of the geographical ownership of the Filer's Notes.

16. Although the Filer has engaged a provider of investor communications in the United States to obtain information about Canadian Note holders, the Filer is unable to determine whether any Canadian residents beneficially own Notes through United States DTC participants.

17. The IDSs ceased trading on the TSX and AMEX on January 28, 2009. The Filer has delisted its IDSs from the TSX and AMEX and no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 – *Marketplace Operation*.

18. The Filer de-registered its IDSs on February 9, 2009, when it filed a Form 15 *Certification and Notice of Termination of Registration Under Section 12(g) of the Securities Act of 1934 or Suspension of Duty to File Reports under Sections 13 and 15(d) of the Securities Exchange Act of 1934* with the SEC. As a result, the Filer is no longer subject to reporting requirements under the Exchange Act or the Indenture, as amended, under which the Notes were issued.

19. The Filer is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.

20. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer. The Filer does not intend to file its annual filings that will become due on March 30, 2009.

21. The Filer does not intend to issue any securities either by way of public offering or an offering pursuant to an exemption from the registration and prospectus requirements 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 Exemptive Relief Sought is granted.

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

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

2.1.3 InStorage Real Estate Investment Trust – s. 1(10)

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., s. 1(10).

March 30, 2009

InStorage Real Estate Investment Trust
Suite 1000, 350 Bay Street
Toronto, Ontario M5H 2S6

Dear Sirs/Mesdames:

Re: InStorage Real Estate Investment Trust (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador (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.

"Michael Brown"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.4 IAMGOLD Burkina Faso Inc. (formerly Orezone Resources Inc.) – s. 1(10)

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., s. 1(10).

March 30, 2009

IAMGOLD Burkina Faso Inc.
c/o Fraser Milner Casgrain LLP
1 First Canadian Place
39th Floor, 100 King Street West
Toronto, Ontario M5X 1B2

Attention: Abbas Ali Khan

Re: IAMGOLD Burkina Faso Inc. (formerly Orezone Resources Inc.) (the Applicant) - application for a decision under the securities legislation of each of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, the Yukon Territory, Northwest Territories and Nunavut (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.

"Michael Brown"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.5 Manulife Financial Corporation

Headnote

NP 11-203 – relief from the requirements of National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer to deliver printed information circulars to certain beneficial owners of reporting issuer – relief subject to a number of conditions, including that reporting issuer provide an explanatory letter in lieu of the printed circular and give beneficial owners to option request and obtain at no charge a printed information circular.

Applicable Legislative Provisions

National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer, ss. 2.7, 4.2, 4.6, 9.2.

March 18, 2009

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
MANULIFE FINANCIAL CORPORATION
(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 relief:

1. pursuant to section 9.2 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") from the provisions of NI 54-101 that require the Filer to send a printed information circular relating to the Filer's annual and special meeting to be held on May 7, 2009 (the "**Meeting**") to beneficial owners who:

   (a) have requested under NI 54-101 that they receive securityholder materials relating only to special meetings,

   (b) were deemed in connection with the amendment of NI 54-101 in 2005 to have

requested securityholder materials relating only to special meetings and have not provided updated instructions under the amended NI 54-101, or

(c) did not provide instructions as to which documents of the Filer they wished to receive under the predecessor legislation of NI 54-101, National Policy Statement 41 - Shareholder Communication ("**NP 41**"), and have not provided updated instructions under the amended NI 54-101 (collectively, the "**Additional Beneficial Owners**"),

and who are resident in Canada;

2. pursuant to section 9.2 of NI 54-101 to allow intermediaries (as such term is defined in NI 54-101) to satisfy their obligations under NI 54-101 to (a) send securityholder materials to the Additional Beneficial Owners that are resident in Canada by sending those Additional Beneficial Owners the materials that the Filer delivers to the intermediaries to be sent to those Additional Beneficial Owners, and (b) tabulate and execute voting instructions received from those Additional Beneficial Owners; and

3. to permit the application for this decision and this decision to be kept confidential until the date that the Filer files the information circular relating to the Meeting

(collectively, 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 Filers 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 British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador 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.

Representations

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

1. The Filer's head office is located in Toronto, Ontario.

2. The Filer was incorporated under the *Insurance Companies Act* (Canada) on April 26, 1999. On September 23, 1999, in connection with the demutualization of The Manufacturers Life Insurance Company ("**MLI**"), the Filer became the sole shareholder of MLI and certain holders of participating life insurance policies of MLI became shareholders of the Filer. On September 24, 1999, the Filer filed a final prospectus in connection with an initial treasury and secondary offering conducted in Canada and the United States. On April 28, 2004, the Filer completed a merger with John Hancock Financial Services, Inc. ("**JHFS**") and as a result the Filer became the beneficial owner of all of the issued and outstanding shares of JHFS common stock. The Filer is a publicly traded company on the Toronto Stock Exchange, the New York Stock Exchange, the Stock Exchange of Hong Kong Limited and the Philippine Stock Exchange. The Filer is a reporting issuer or the equivalent in each of the provinces and territories of Canada and is not, to its knowledge, in default of its reporting issuer obligations under the securities legislation of any of the provinces or territories of Canada.

3. As a result of its corporate history as a holding company for a demutualized mutual life insurance company, as well as its subsequent merger with JHFS, the Filer has a large shareholder base. As of February 28, 2009 the Filer had a total of 641,000 beneficial shareholders. There are 226,000 Additional Beneficial Owners in aggregate, of which 199,000 are resident in Canada and 27,000 are resident in jurisdictions outside Canada, principally in Hong Kong, the Philippines and the United States.

4. The Meeting is scheduled to be held on May 7, 2009. The Filer expects to print the materials relating to the Meeting beginning on March 18, 2009 and ending on March 27, 2009. The Filer will file the materials relating to the Meeting on or about March 23, 2009. The Filer expects to mail materials relating to the Meeting beginning on March 27, 2009 and ending on April 7, 2009.

5. The Meeting is a special meeting for the purposes of NI 54-101 because holders of the Filer's common shares will be asked to consider a special resolution to confirm an amendment to the Filer's by-laws to create a new class of preferred shares (the "**Class 1 Shares**"). The new Class 1 Shares will rank on a parity with the Filer's existing Class A Shares and will provide additional flexibility for the Filer to create future series of preferred shares with different rights from those under the existing series of Class A Shares. At the Meeting, holders of the Filer's common shares will also be asked to receive the 2008 audited financial statements, elect directors, appoint auditors and consider shareholder proposals.

6. NI 54-101 requires the Filer to send a printed information circular to the Additional Beneficial Owners in respect of a special meeting, but not for an annual meeting, because the Additional Beneficial Owners either (a) requested under NI 54-101 that they receive securityholder materials relating only to special meetings, (b) were deemed in connection with the amendment of NI 54-101 in 2005 to have requested securityholder materials relating only to special meetings and have not provided updated instructions under the amended NI 54-101, or (c) did not provide instructions as to which documents of the Filer they wished to receive under the predecessor legislation of NI 54-101, NP 41, and have not provided updated instructions under the amended NI 54-101.

7. Of the approximately 199,000 Additional Beneficial Owners resident in Canada approximately 82,000 hold ownership statements, meaning that they received their common shares of the Filer on the demutualization of MLI in 1999.

8. The information circular is expected to be approximately 64 pages in length. The Filer estimates that the cost of printing and mailing 199,000 information circulars to the Additional Beneficial Owners resident in Canada would be $900,000.

9. In lieu of mailing each Additional Beneficial Owner resident in Canada a printed copy of the information circular, the Filer will deliver to Broadridge Investor Communications Corporation ("**Broadridge**") and CIBC Mellon Trust Company ("**CIBC Mellon**") for mailing to each Additional Beneficial Owner that is resident in Canada (a) either the form of proxy relating to the Meeting that is being sent to registered shareholders of the Filer or a voting instruction form and (b) a letter from the Chair of the Board of Directors and President and Chief Executive Officer of the Filer providing an overview of the matters to be voted on at the Meeting, advising that the information circular is available in electronic format on www.sedar.com and on the Filer's website at www.manulife.com, and advising that a printed copy of the information circular is available from the Filer's agent, free of charge, to Additional Beneficial Owners making such request. The Filer will pay for delivery of all materials by Broadridge and CIBC Mellon to the intermediaries and to the Additional Beneficial Owners.

10. The Filer will file the letter to Additional Beneficial Owners on www.sedar.com at the same time that the Filer files all other materials relating to the Meeting. The letter will explain that the Filer has received permission from Canadian securities regulatory authorities to provide materials relating to the Meeting to Additional Beneficial Owners in the manner described in the letter. The Filer expects that Additional Beneficial Owners will receive the letter and form of proxy or voting instruction form between April 7, 2009 and April 14, 2009.

11. The Filer has retained DATA Group, a provider of corporate and institutional print and print management solutions located in Mississauga, Ontario, to respond to requests for information circulars. The letter from the Filer will direct Additional Beneficial Owners that are resident in Canada to contact DATA Group at a specified toll free telephone or fax number or email address to request a printed information circular. Pursuant to its arrangement with the Filer, DATA Group's service standard is to send a printed information circular within two business days of receipt of a request. Information Circulars will be mailed by postage-paid first class mail or by courier delivery at the option of the Additional Beneficial Owner. DATA Group will act as the Filer's agent for such purposes and the Filer will pay all of the expenses involved in delivering information circulars to Additional Beneficial Owners resident in Canada.

12. DATA Group will not retain any records of the identity, including contact information, of Additional Beneficial Owners that contact DATA Group. The Filer will not receive any information about the Additional Beneficial Owners that contact DATA Group, other than the aggregate number of information circulars requested by Additional Beneficial Owners from DATA Group.

13. The Filer has consulted with Broadridge and its counsel in developing the mailing and voting procedures for Additional Beneficial Owners described in this Application.

14. The Filer will mail printed information circulars at the Filer's expense to Additional Beneficial Owners not resident in Canada. This mailing is being made because it is uncertain whether there would be sufficient time for those Additional Beneficial Owners to receive the initial mailing, request a printed information circular if they so desire, and receive the printed information circular a reasonable period of time in advance of the Meeting.

15. The Filer estimates it will save $500,000 as a result of not having to mail approximately 199,000 information circulars to the Additional Beneficial Owners resident in Canada.

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 the Filer delivers by April 3, 2009 to Broadridge and CIBC

Mellon for mailing to each Additional Beneficial Owner that is resident in Canada (a) either the form of proxy relating to the Meeting that is being sent to registered shareholders of the Filer or a voting instruction form and (b) a letter from the Chair of the Board of Directors and President and Chief Executive Officer of the Filer providing an overview of the matters to be voted on at the Meeting, advising that the information circular is available in electronic format on www.sedar.com and on the Filer's website at www.manulife.com, and advising that a printed copy of the information circular is available from the Filer's agent, free of charge, to Additional Beneficial Owners making such request.

"Michael Brown"
Assistant Manager, Corporate Finance, Team 2

2.1.6 Cyclical Split NT Corp. – s. 1(10)

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to have ceased to be a reporting issuer.

Applicable Legislative Provisions

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

March 13, 2009

Cyclical Split NT Corp.
One First Canadian Place
4th Floor
Toronto, Ontario M5X 1A1

Dear Sirs/Mesdames:

Re: Cyclical Split NT Corp. (the "Applicant") – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador (collectively, 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.

"Rhonda Goldberg"
Manager, Investment Funds
Ontario Securities Commission

2.1.7 GMP Capital Trust and Griffiths McBurney L.P.

Headnote

MI 11-102 and NP 11-203 – business combination – conversion of publicly traded income fund into corporate entity – MI 61-101 requires minority approval if conversion is a business combination – conversion is not a business combination for publicly traded fund, but is technically a business combination for a holding company in the fund's structure – relief granted to the holding company from complying with the minority approval requirement provided certain conditions met.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System.
National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions, ss. 3.6(5).
Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 4.5, 9.1.

March 24, 2009

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
GMP CAPITAL TRUST AND
GRIFFITHS MCBURNEY L.P.
(the Fund and GMP Holding Partnership, respectively and, together, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction (the **Decision Maker**) has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the requirement set out in Section 4.5 of MI 61-101 that an issuer obtain minority approval for a business combination shall not apply to GMP Holding Partnership with respect to the GMP Conversion Transaction (as defined below) (the **Exemption Sought**).

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

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

(b) the Filers 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 Québec.

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 Filers:

1. The Fund is an unincorporated, open-ended trust governed by the laws of the Province of Ontario. The Fund was established pursuant to a declaration of trust dated September 20, 2005, as amended and restated on November 30, 2005 in connection with the conversion of the former GMP Capital Corp. to an income trust structure under a plan of arrangement effective December 1, 2005 (the **2005 Arrangement**).

2. The beneficial interests in the Fund are divided into interests of two classes, designated as **Fund Units** and **Special Voting Units**. The Fund Units carry a right to receive distributions and an interest in the net assets of the Fund in the event of a termination or winding-up of the Fund, while the Special Voting Units only entitle the holder thereof to one vote at all meetings of unitholders for each Special Voting Unit held. The holders of Fund Units and the holders of Special Voting Units are referred to collectively as **Voting Unitholders**. The Fund Units are listed on the Toronto Stock Exchange under the trading symbol GMP.UN.

3. GMP Holding Partnership is a limited partnership formed under the laws of Manitoba with its head office in Ontario. The general partner of GMP Holding Partnership is an Ontario corporation named GMP Corp. (**Holding General Partner**), which is wholly owned by the Fund. The operating subsidiaries of the GMP group are owned by GMP Holding Partnership, other than GMP Private Client, L.P. (**Private Client**), which is partially owned by employees of Private Client, GMP Securities Europe LLP (**GMP Europe**), which is partially owned by partners of GMP Europe and GMP Investment Management L.P. (**GMP Investment**), which is partially owned by employees of GMP Investment (through ownership interests in Proprietary Partner L.P.).

4. Both the Fund and GMP Holding Partnership are reporting issuers under applicable securities laws in Ontario and Quebec (and each of the other provinces and territories of Canada). As an exchangeable security issuer, GMP Holding Partnership is entitled, under Part 13 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) and related provisions of securities laws, to an exemption from the financial statement and other continuous disclosure requirements of NI 51-102 and certain related requirements of securities laws.

5. GMP Holding Partnership has two classes of limited partnership units: **Class A LP Units** all of which are held by the Fund, and **Exchangeable LP Units**. The Exchangeable LP Units are exchangeable for Fund Units and each Exchangeable LP Unit is accompanied by a Special Voting Unit, allowing the holder to vote together with the holders of Fund Units at meetings of the Fund's Voting Unitholders. The Exchangeable LP Units were offered to the former GMP Capital Corp. shareholders as an alternative to receiving Fund Units in the 2005 Arrangement, in order to permit such holders to achieve a rollover for Canadian federal income tax purposes. As at the date of the application from the Filers, there were 47,381,610 Fund Units and 16,678,024 Exchangeable LP Units outstanding.

6. The Exchangeable LP Units are not listed on any exchange and, by their terms, are not transferable except upon their exchange for Fund Units and in certain other very limited circumstances.

7. The Exchangeable LP Units are intended to be, to the greatest extent practicable, the economic equivalent of Fund Units. Holders are entitled to receive distributions, to the greatest extent practicable, equal to those paid by the Fund to holders of Fund Units. The accompanying Special Voting Units provide the holder with the right to vote at the Fund level together with Fund Unitholders. Pursuant to the limited partnership agreement of GMP Holding Partnership, holders of Exchangeable LP Units do not have voting entitlements at the GMP Holding Partnership level.

8. The Fund is now proposing to undertake a transaction that would result in the conversion of the Fund and GMP Holding Partnership to a corporate structure (the **GMP Conversion Transaction**). Under the GMP Conversion Transaction, the holders of Fund Units and Exchangeable LP Units will, if the transaction is approved by unitholders and certain other conditions are satisfied or waived, exchange their respective units for common shares of a new corporation (**New GMP Corp.**). Upon completion of the GMP Conversion Transaction, New GMP Corp. will become the successor reporting issuer, and it is intended that the New GMP Corp. common shares will be listed on the Toronto Stock Exchange.

9. The GMP Conversion Transaction will be effected by a plan of arrangement under the *Business Corporations Act* (Ontario), subject to approval at

a meeting of Voting Unitholders by a special resolution approved by more than 66 2/3% of votes cast by holders of Fund Units and Special Voting Units, voting together as a single class as provided in the Fund's Declaration of Trust. The GMP Conversion Transaction is also subject to approval by the Ontario Superior Court of Justice.

10. Under the GMP Conversion Transaction, all holders of Fund Units and holders of Exchangeable LP Units will receive the same consideration in return for their units, namely one common share of New GMP Corp. for each Fund Unit or Exchangeable LP Unit held.

11. The GMP Conversion Transaction will not be a business combination, as defined in MI 61-101, for the Fund and, as such, there is no requirement for the Fund to obtain a formal valuation or minority approval under MI 61-101 for the GMP Conversion Transaction.

12. In the case of GMP Holding Partnership, however, the GMP Conversion Transaction would not be a downstream transaction as defined in MI 61-101 and would result in a related party of GMP Holding Partnership (New GMP Corp.), directly or indirectly, acquiring the issuer (GMP Holding Partnership), and as such it would qualify as a business combination for GMP Holding Partnership.

13. For GMP Holding Partnership, the GMP Conversion Transaction would be exempt from the formal valuation requirements of Part 4 of MI 61-101, under Section 4.4(a), since no securities of GMP Holding Partnership are listed on the specified markets. However, the GMP Conversion Transaction would subject GMP Holding Partnership to the requirement to obtain minority approval for the GMP Conversion Transaction from the holders of affected securities of GMP Holding Partnership; that is, the holders of Exchangeable LP Units, although no minority approval requirement would apply at the Fund level.

Decision

The Decision Maker 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 the conditions of subsections (e)(ii) and (e)(iii) of the definition of business combination in Section 1.1 of MI 61-101 are met.

"Naizam Kanji"
Manager, Mergers & Acquisitions

2.2 Orders

2.2.1 Bank of Montreal and BMO Capital Trust II

Headnote

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

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
BANK OF MONTREAL AND
BMO CAPITAL TRUST II

ORDER

WHEREAS the Ontario Securities Commission (the "Commission") has received an application from Bank of Montreal ("BMO") and BMO Capital Trust II (the "Trust") for an order, pursuant to Section 6.1 of OSC Rule 13-502 *Fees* (the "Fees Rule"), that the requirement to pay a participation fee under Section 2.2 of the Fees Rule shall not apply to the Trust, subject to certain terms and conditions;

AND WHEREAS BMO and the Trust have represented to the Commission that:

1. The Trust is a trust established under the laws of Ontario by Montreal Trust Company of Canada (the "Trustee") pursuant to an amended and restated declaration of trust dated as of December 18, 2008, as may be amended, restated and supplemented from time to time. The Trust's principal office is located in Toronto, Ontario.

2. The Trust has a financial year-end of December 31.

3. The Trust was established solely for the purpose of effecting the Offering (as defined below) and

other offerings of debt securities in order to provide BMO with a cost-effective means of raising capital for regulatory purposes under the *Bank Act* (Canada) (the "Bank Act").

4. BMO will be the Administrative Agent of the Trust pursuant to the Amended and Restated Administration Agreement between the Trustee and BMO dated December 18, 2008 (the "Administration Agreement"). Pursuant to the Administration Agreement, the Trustee has delegated to BMO certain of its obligations in relation to the administration of the Trust, including the day-to-day operations of the Trust and such other matters as may be requested from time to time by the Trustee.

5. The Trust completed an initial public offering (the "Offering") of $450,000,000 principal amount of trust subordinated notes (the "Trust Subordinated Notes") in each of the provinces and territories of Canada on December 18, 2008 and may, from time to time, issue further series of Trust Subordinated Notes. The first series of Trust Subordinated Notes were designated as 10.221% BMO Tier 1 Notes – Series A due December 31, 2107 (the "BMO Tier 1 Notes – Series A"), representing direct subordinated unsecured debt obligations of the Trust.

6. As a result of the Offering, the capital of the Trust consists of BMO Tier 1 Notes – Series A and voting trust units (the "Voting Trust Units"). The BMO Tier 1 Notes – Series A distributed pursuant to the short form prospectus of BMO and the Trust dated December 12, 2008 (the "Prospectus") are held by the public and all outstanding Voting Trust Units are held by BMO.

7. As a result of the Offering, the Trust is now a reporting issuer or its equivalent in each of the provinces and territories of Canada (the "Reporting Jurisdictions") where such concept exists. The Trust is not, to the best of its knowledge, in default of any requirement of the securities legislation in the Reporting Jurisdictions.

8. Subject to certain conditions, the Trust may redeem the outstanding BMO Tier 1 Notes – Series A. Upon the occurrence of a Loss Absorption Event (as defined in the Prospectus), the BMO Tier 1 Notes – Series A will be exchanged, without the consent of the holders, into non-cumulative Class B Preferred Shares, Series 20 of BMO, as described in the Prospectus.

9. No securities of the Trust are currently listed on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

10. The Trust will not carry on any operating activity other than in connection with the offering of its securities to the public. The assets of the Trust consist primarily of a senior deposit note issued by BMO which has been acquired with the proceeds of the offerings of BMO Tier 1 Notes – Series A and the Trust may, from time to time, acquire additional senior deposit notes issued by BMO from the proceeds of the offering of other Trust Subordinated Notes (each, a "Bank Deposit Note"). The Bank Deposit Notes will generate income to provide the Trust with funds to pay the interest payable on the BMO Tier 1 Notes – Series 1 and other Trust Subordinated Notes (if any) from time to time.

11. Pursuant to a decision document dated February 23, 2009 (the "Continuous Disclosure Exemption Decision") granted to the Trust by the Commission, as principal regulator, on behalf of itself and the securities regulatory authorities of the other provinces and territories of Canada under the passport system contemplated by Multilateral Instrument 11-102 *Passport System* ("MI 11-102"), the Trust has been granted an exemption from the requirements contained in the securities legislation of the Province of Ontario (the "Legislation") to:

(a) (i) file interim financial statements and audited annual financial statements and deliver same to the security holders of the Trust, pursuant to sections 4.1, 4.3 and 4.6 of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102");

(ii) file interim and annual management's discussion and analysis ("MD&A") and deliver same to the security holders of the Trust pursuant to sections 5.1 and 5.6 of NI 51-102;

(iii) file an annual information form pursuant to section 6.1 of NI 51-102; and

(iv) comply with any other provisions of NI 51-102,

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

(b) file interim and annual certificates (collectively, the "Officers' Certificates") pursuant to Parts 4 and 5 of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") (the "Certification Obligations").

12. As a result of the granting of the Continuous Disclosure Exemption Decision, the Trust is exempt from the Continuous Disclosure

Obligations and the Certification Obligations, subject to certain terms and conditions, and no continuous disclosure documents concerning only the Trust will be filed with the Commission.

13. OSFI maintains strict guidelines and standards (the "OSFI Guidelines") with respect to the capital adequacy requirements of federally regulated financial institutions, including BMO, and, in particular, specifies minimum required amounts of capital to be maintained by such institutions. Tier 1 capital primarily consists of common shareholders' equity, qualifying non-cumulative perpetual preferred shares, qualifying innovative instruments and qualifying non-controlling interests while Tier 2 Capital primarily consists of subordinated debt, qualifying innovative instruments, and the allowable portion of BMO's general allowance. Innovative instruments, such as the BMO Tier 1 Notes — Series A, must satisfy the detailed requirements of the OSFI Guidelines to be included in BMO's regulatory capital. Accordingly, BMO Tier 1 Notes — Series A were issued by a special purpose vehicle (the Trust), whose primary purpose is to raise innovative Tier 1 capital. Utilizing the Trust generated cost-effective capital for BMO. OSFI approved the inclusion of the BMO Tier 1 Notes — Series A as Tier 1 capital of BMO.

14. The Trust is a "Class 2 reporting issuer" under the Fees Rule and would be required (but for this Order) to pay participation fees under such rule.

15. BMO, as a legal and factual matter, controls the Trust though its ownership of the Voting Trust Units issued by the Trust and its role as administrative agent of the Trust. BMO will pay participation fees applicable to it under section 2.2 of the Fees Rule.

16. The Fees Rule includes an exemption for "subsidiary entities" in subsection 2.9(2) of the Fees Rule. BMO and the Trust meet all of the substantive requirements to rely on the exemption in subsection 2.9(2) of the Fees Rule, but for the definition of "subsidiary entity". The Fees Rule defines "subsidiary entity" by reference to the accounting definition under Canadian GAAP, rather than by reference to a legal definition based on control.

17. On November 1, 2004, the Canadian Institute of Chartered Accountants adopted Guideline 15, Consolidation of Variable Interest Entities. The Trust is a variable interest entity which the Bank is not required to consolidate, and is therefore not a subsidiary of the Bank. Accordingly, the Trust is not, from a technical accounting perspective, considered to be a "subsidiary entity" of BMO for Canadian GAAP purposes and may not be entitled to rely on the exemption in subsection 2.9(2) of the Fees Rule.

THE ORDER of a Director of the Commission under the Fees Rule is that the requirement to pay a participation fee under Section 2.2 of the Fees Rule shall not apply to the Trust, for so long as:

(a) BMO and the Trust continue to satisfy all of the conditions contained in the Continuous Disclosure Exemption Decision; and

(b) the capitalization of the Trust represented by the BMO Tier1 Notes — Series A and any additional securities of the Trust that may be issued, from time to time, by the Trust is included in the participation fee calculation applicable to BMO and BMO has paid the participation fee calculated on this basis.

DATED this 26th day of March, 2009.

"Michael Brown"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.2.2 Howard Graham – s. 127

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

AND

IN THE MATTER OF
HOWARD GRAHAM

ORDER
(Section 127)

WHEREAS on March 18, 2009, Staff of the Commission ("Staff") filed a Statement of Allegations against Howard Graham and the Ontario Securities Commission (the "Commission") issued a Notice of Hearing that the Commission would hold a hearing on March 26, 2009 to consider whether it is in the public interest to make orders against Howard Graham ("Graham") under subsections 127 (1) and (10) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act");

AND WHEREAS Graham is represented by counsel and was served with the Statement of Allegations and the Notice of Hearing;

ON READING Graham's request for an adjournment and Staff's consent and on hearing the submissions of Staff no one appearing for Graham, the Commission granted the request for an adjournment to April 9, 2009 at 10.00 am;

IT IS ORDERED THAT the hearing is adjourned until April 9, 2009 at 10.00 a.m. or such other date as may be agreed by the parties and fixed by the Secretary to the Commission.

DATED at Toronto this 26th day of March, 2009.

"Patrick J. LeSage"

"Suresh Thakrar"

2.2.3 Barclays Global Investors, N.A. and Barclays Global Investors Canada Limited – s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – Relief from the adviser registration requirements of subsection 22(1)(b) of the CFA granted to sub-adviser not ordinarily resident in Ontario in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions. Relief mirrors exemption available in section 7.3 of OSC Rule 35-502 – Non-Resident Advisers (Rule 35-502) made under the Securities Act (Ontario).

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22(1)(b), 78, 80.
Securities Act, R.S.O. 1990, c. S.5, as am. – Rule 35-502 – Non Resident Advisers.

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

AND

IN THE MATTER OF
BARCLAYS GLOBAL INVESTORS, N.A.
AND
BARCLAYS GLOBAL INVESTORS
CANADA LIMITED

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of Barclays Global Investors, N.A. (the **Sub-Adviser**) and Barclays Global Investors Canada Limited (the **Principal Adviser**) to the Ontario Securities Commission (the **Commission** or **OSC**) for an order, pursuant to section 80 of the CFA, that the Sub-Adviser (including its directors, officers and employees) be exempt, for a period of five years, from the adviser registration requirements of paragraph 22(1)(b) of the CFA when acting as an adviser for the Principal Adviser in respect of the Funds (as defined below) regarding commodity futures contracts and commodity futures options traded on commodity futures exchanges (**Contracts**) and cleared through clearing corporations;

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

AND UPON the Sub-Adviser and the Principal Adviser having represented to the Commission that:

1. The Principal Adviser is a corporation amalgamated under the laws of Ontario and is registered:

(a) under the *Securities Act* (Ontario) (the **OSA**) as a dealer in the category of limited market dealer, and as an adviser in the categories of investment counsel and portfolio manager, and

(b) under the CFA as an adviser in the category of commodity trading manager.

2. The Sub-Adviser is a national banking association organized under the laws of the United States and operates as a limited purpose trust company. It is primarily regulated in the United States by the Office of the Comptroller of the Currency, the agency of the U.S. Treasury Department that regulates U.S. national banks. The Sub-Adviser is also subject to the jurisdiction of the U.S. Department of Labor to the extent that its fiduciary clients are subject to the U.S. Employee Retirement Income Security Act of 1974, as amended.

3. The Sub-Adviser is registered in the United States with the Commodity Futures Trading Commission as a Commodity Trading Adviser.

4. The Sub-Adviser is registered with the Commission as an international adviser in the categories of portfolio manager and investment counsel and is not registered in any capacity under the CFA.

5. The Principal Adviser is the investment manager of (i) the iShares exchange-traded funds, the securities of which are qualified by prospectus for distribution to the public in Ontario and the other provinces and territories of Canada (the **iShares ETFs**), (ii) pooled funds, the securities of which are sold on a private placement basis in Ontario and the other provinces and territories of Canada to accredited investors pursuant to prospectus exemptions and registration exemptions (where available) contained in National Instrument 45-106 – *Prospectus and Registration Exemptions* (the **Pooled Funds**), (iii) managed acccounts of institutional clients who have entered into investment management agreements with the Applicant (the **Managed Accounts**) and (iv) such other iShares ETFs, Pooled Funds and Managed Accounts as may established in the future and for which the Principal Adviser engages the Sub-Adviser to provide advisory services (each of the funds and managed accounts in (i), (ii), (iii) and (iv) is referred to individually as a **Fund** and collectively as the **Funds**).

6. The Funds may, as part of their investment program, invest in Contracts.

7. The Principal Adviser may, pursuant to a written agreement with each Fund:

(a) act as an adviser (as defined in the OSA) to the Fund in respect of securities; and

(b) act as an adviser (as defined in the CFA) to the Fund in respect of Contracts

by exercising discretionary authority in respect of the investment portfolio of the Client, with discretionary authority to purchase or sell on behalf of the Client:

(i) securities; and

(ii) Contracts.

8. In connection with the Principal Adviser acting as an adviser to the Funds in respect of the purchase or sale of securities and Contracts, the Principal Adviser will, pursuant to a written agreement made between the Principal Adviser and the Sub-Adviser, retain the Sub-Adviser to act as an adviser to it (the **Proposed Advisory Services**) by exercising discretionary authority on behalf of the Principal Adviser, in respect of the investment portfolio of the Funds, including discretionary authority to buy or sell Contracts for the Funds, provided that:

(a) in each case, the Contract must be cleared through an acceptable clearing corporation; and

(b) such investments are consistent with the investment objectives and strategies of the Funds.

9. Paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person or company is registered as an adviser under the CFA, or is registered as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser. Under the CFA, “adviser” means a person or company engaging in or holding himself, herself or itself out as engaging in the business of advising others as to trading in “contracts”, and “contracts” means commodity futures contracts and commodity futures options.

10. By providing the Proposed Advisory Services, the Sub-Adviser will be acting as an adviser with respect to commodity futures contracts and commodity futures options and, in the absence of being granted the requested relief, would be required to register as an adviser under the CFA.

11. 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 OSC Rule 35-502 – *Non Resident Advisers* (**Rule 35-502**).

12. The relationship among the Principal Adviser, the Sub-Adviser and the Funds satisfies the requirements of section 7.3 of Rule 35-502.

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

    (a) the duties and obligations of the Sub-Adviser will be set out in a written agreement with the Principal Adviser;

    (b) the Principal Adviser will contractually agree with the Funds to be responsible for any loss that arises out of the failure of the Sub-Adviser:

        (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Principal Adviser and the Funds; or

        (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances (together with (i), the **Assumed Obligations**); and

    (c) the Principal Adviser cannot be relieved by the Funds from its responsibility for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations.

14. The Sub-Adviser is not resident of any province or territory of Canada.

15. The Sub-Adviser is, or will be, appropriately registered or licensed or is, or will be, entitled to rely on appropriate exemptions from such registrations or licences, to provide advice for the Funds pursuant to the applicable legislation of its principal jurisdiction.

16. The Sub-Adviser will only provide the Proposed Advisory Services so long as the Principal Adviser is, and remains, registered under the CFA as an adviser in the category of commodity trading manager.

17. The prospectus for each iShares ETF will include the following disclosure:

    (a) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations; and

    (b) a statement that there may be difficulty in enforcing any legal rights against the Sub-Adviser (or the individual representatives of the Sub-Adviser) advising the iShares ETF, because such entity is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.

18. Prior to purchasing any securities of one or more of the Pooled Funds or the iShares ETFs directly from the Principal Advisor or entering into an investment management agreement with the Principal Advisor for a managed account, all investors who are Ontario residents will receive written disclosure that includes:

    (a) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations; and

    (b) a statement that there may be difficulty in enforcing any legal rights against the Sub-Adviser (or the individual representatives of the Sub-Adviser) advising the relevant Fund, because such entity is resident outside of Canada and all or substantially all 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 that, pursuant to section 80 of the CFA, the Sub-Adviser (including its directors, officers and employees) are exempt from the adviser registration requirement in paragraph 22(1)(b) of the CFA in respect of the Proposed Advisory Services provided to the Principal Adviser, for a period of five years, provided that at the relevant time that such activities are engaged in:

    (a) the Principal Adviser is registered under the CFA as an adviser in the category of commodity trading manager;

    (b) the Sub-Adviser is appropriately registered or licensed, or is entitled to rely on appropriate exemptions from such registrations or licences, to provide advice for the Funds pursuant to the applicable legislation of its principal jurisdiction;

    (c) the obligations and duties of the Sub-Adviser are set out in a written agreement with the Principal Adviser;

    (d) the Principal Adviser has contractually agreed with the respective Client to be responsible for any loss that arises out of any failure of a Sub-Adviser to meet the Assumed Obligations;

(e) the Principal Adviser cannot be relieved by a Fund or its securityholders from its responsibility for any loss that arises out of the failure of a Sub-Adviser to meet the Assumed Obligations; and

(f) the prospectus for each iShares ETF will include the following disclosure:

(i) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations; and

(ii) a statement that there may be difficulty in enforcing any legal rights against the Sub-Adviser (or the individual representatives of the Sub-Adviser) advising the iShares ETF, because such entity is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.

(g) prior to purchasing any securities of one or more of the Pooled Funds or the iShares ETFs directly from the Principal Advisor or entering into an investment management agreement with the Principal Advisor for a managed account, all investors who are Ontario residents will receive written disclosure that includes:

(i) a statement that the Principal Adviser is responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations; and

(ii) a statement that there may be difficulty in enforcing any legal rights against the Sub-Adviser (or the individual representatives of the Sub-Adviser) advising the relevant Fund, because such entity is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.

March 27, 2009

"David L. Knight"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

2.2.4 BCE Inc. – s. 104(2)(c)

Headnote

Clause 104(2)(c) – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, approximately 2,800,000 of its common shares from one shareholder – due to discounted purchase price, proposed purchases cannot be made through TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – no adverse economic impact on or prejudice to issuer or public shareholders – proposed purchases exempt from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions.

March 27, 2009

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

AND

IN THE MATTER OF
BCE INC.

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of BCE Inc. (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the Act exempting the Issuer from the requirements of sections 94 to 94.8 and 97 to 98.7 of the Act (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to 4,000,000 (collectively, the "**Subject Shares**") of its common shares (the "**Common Shares**") in one or more trades from The Toronto-Dominion Bank and/or its affiliates (collectively, the "**Selling Shareholder**");

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

AND UPON the Issuer having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The head office and registered office of the Issuer are located at 1 Carrefour Alexander-Graham-Bell, Building A, 8th Floor, Verdun, Québec H3E 3B3.

3. The Issuer is a reporting issuer in each of the provinces of Canada and the Common Shares of

the Issuer are listed for trading on the Toronto Stock Exchange ("**TSX**") and the New York Stock Exchange under the symbol "BCE". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized common share capital of the Issuer consists of an unlimited number of Common Shares, of which approximately 787,080,838 were issued and outstanding as of February 17, 2009.

5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario

6. The Selling Shareholder has advised the Issuer that it does not directly or indirectly own more than 5% of the issued and outstanding Common Shares.

7. The Selling Shareholder has advised the Issuer that it is the beneficial owner of at least 4,000,000 Common Shares.

8. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer or "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**").

9. On December 23, 2008, the Issuer commenced a normal course issuer bid (its "**Normal Course Issuer Bid**") for up to 40,000,000 Common Shares through the facilities of the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"). As at February 20, 2009, 20,953,300 Common Shares have been purchased under the Issuer's Normal Course Issuer Bid.

10. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**") pursuant to which the Issuer will agree to acquire the Subject Shares from the Selling Shareholder by one or more purchases each occurring prior to May 31, 2009 (each such purchase, a "**Proposed Purchase**") for a purchase price (the "**Purchase Price**") that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Issuer's Common Shares at the time of each Proposed Purchase.

11. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.

12. The purchase of the Subject Shares by the Issuer pursuant to each Agreement will constitute an "issuer bid" for purposes of the Act, to which the applicable Issuer Bid Requirements would apply.

13. Because the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Issuer's Common Shares at the time of each Proposed Purchase, each Proposed Purchase cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.

14. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Issuer's Common Shares at the time of each Proposed Purchase, the Issuer could otherwise acquire the Subject Shares as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in section 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act. The notice of intention to make a normal course issuer bid filed with the TSX by the Issuer contemplates that purchases under the bid may be made by such other means as may be permitted by the TSX, including by private agreements pursuant to an issuer bid exemption order issued by a securities regulatory authority.

15. For each Proposed Purchase, the Issuer will be able to acquire the Subject Shares from the Selling Shareholder in reliance upon the exemption from the dealer registration requirements of the Act that is available as a result of the combined effect of section 2.16 of NI 45-106 and section 4.1(a) of Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions*.

16. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's securityholders and it will not materially affect the control of the Issuer. The Proposed Purchases will be carried out with a minimum of cost to the Issuer.

17. To the best of the Issuer's knowledge, as of February 17, 2009, the "public float" for the Common Shares represented more than 99% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.

18. The market for the Common Shares is a "liquid market" within the meaning of section 1.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.

19. Other than the Purchase Price, no additional fee or other consideration will be paid in connection with the Proposed Purchases.

20. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder, neither the Issuer nor the Selling Shareholder will be aware of any undisclosed "material change" or any undisclosed "material fact" in respect of the Issuer (each as defined in the Act).

21. The Selling Shareholder owns the Subject Shares and the Subject Shares were not acquired in anticipation of resale pursuant to the Proposed Purchases.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with each Proposed Purchase, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting a Block Purchase in accordance with the TSX NCIB Rules during the calendar week that it completes each Proposed Purchase and may not make any further purchases under its Normal Course Issuer Bid for the remainder of that calendar day;

(c) the Purchase Price is not higher than the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of each Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to its Normal Course Issuer Bid and in accordance with the TSX NCIB Rules, including by means of open market transactions and by other means as may be permitted by the TSX, including private agreements under an issuer bid exemption order issued by a securities regulatory authority;

(e) immediately following each Proposed Purchase of the Subject Shares from the Selling Shareholder, the Issuer will report the purchase of the Subject Shares to the TSX;

(f) at the time that each Agreement is entered into by the Issuer and the Selling Shareholder, neither the Issuer nor the Selling Shareholder will be aware of any undisclosed "material change" or any undisclosed "material fact" in respect of the Issuer (each as defined in the Act); and

(g) the Issuer will issue a press release in connection with the Proposed Purchases.

" David L. Knight"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

2.2.5 BCE Inc. – s. 104(2)(c)

Headnote

Clause 104(2)(c) – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, approximately 2,800,000 of its common shares from one shareholder – due to discounted purchase price, proposed purchases cannot be made through TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – no adverse economic impact on or prejudice to issuer or public shareholders – proposed purchases exempt from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions.

March 27, 2009

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

AND

IN THE MATTER OF
BCE INC.

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of BCE Inc. (the "**Issuer**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the Act exempting the Issuer from the requirements of sections 94 to 94.8 and 97 to 98.7 of the Act (the "**Issuer Bid Requirements**") in respect of the proposed purchases by the Issuer of up to 2,800,000 (collectively, the "**Subject Shares**") of its common shares (the "**Common Shares**") in one or more trades from Royal Bank of Canada and/or its affiliates (collectively, the "**Selling Shareholder**");

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

AND UPON the Issuer having represented to the Commission that:

1. The Issuer is a corporation governed by the *Canada Business Corporations Act*.

2. The head office and registered office of the Issuer are located at 1 Carrefour Alexander-Graham-Bell, Building A, 8th Floor, Verdun, Québec H3E 3B3.

3. The Issuer is a reporting issuer in each of the provinces of Canada and the Common Shares of the Issuer are listed for trading on the Toronto Stock Exchange ("**TSX**") and the New York Stock Exchange under the symbol "BCE". The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.

4. The authorized common share capital of the Issuer consists of an unlimited number of Common Shares, of which approximately 787,080,838 were issued and outstanding as of February 17, 2009.

5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario

6. The Selling Shareholder has advised the Issuer that it does not directly or indirectly own more than 5% of the issued and outstanding Common Shares.

7. The Selling Shareholder has advised the Issuer that it is the beneficial owner of at least 2,800,000 Common Shares.

8. The Selling Shareholder is at arm's length to the Issuer and is not an "insider" of the Issuer or "associate" of an "insider" of the Issuer, or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**").

9. On December 23, 2008, the Issuer commenced a normal course issuer bid (its "**Normal Course Issuer Bid**") for up to 40,000,000 Common Shares through the facilities of the TSX in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the "**TSX NCIB Rules**"). As at February 20, 2009, 20,953,300 Common Shares have been purchased under the Issuer's Normal Course Issuer Bid.

10. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an "**Agreement**") pursuant to which the Issuer will agree to acquire the Subject Shares from the Selling Shareholder by one or more purchases each occurring prior to May 31, 2009 (each such purchase, a "**Proposed Purchase**") for a purchase price (the "**Purchase Price**") that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Issuer's Common Shares at the time of each Proposed Purchase.

11. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as

that term is defined in section 628 of the TSX NCIB Rules.

12. The purchase of the Subject Shares by the Issuer pursuant to each Agreement will constitute an "issuer bid" for purposes of the Act, to which the applicable Issuer Bid Requirements would apply.

13. Because the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Issuer's Common Shares at the time of each Proposed Purchase, each Proposed Purchase cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.

14. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Issuer's Common Shares at the time of each Proposed Purchase, the Issuer could otherwise acquire the Subject Shares as a "block purchase" (a "**Block Purchase**") in accordance with the block purchase exception in section 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act. The notice of intention to make a normal course issuer bid filed with the TSX by the Issuer contemplates that purchases under the bid may be made by such other means as may be permitted by the TSX, including by private agreements pursuant to an issuer bid exemption order issued by a securities regulatory authority.

15. For each Proposed Purchase, the Issuer will be able to acquire the Subject Shares from the Selling Shareholder in reliance upon the exemption from the dealer registration requirements of the Act that is available as a result of the combined effect of section 2.16 of NI 45-106 and section 4.1(a) of Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions*.

16. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's securityholders and it will not materially affect the control of the Issuer. The Proposed Purchases will be carried out with a minimum of cost to the Issuer.

17. To the best of the Issuer's knowledge, as of February 17, 2009, the "public float" for the Common Shares represented more than 99% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.

18. The market for the Common Shares is a "liquid market" within the meaning of section 1.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.

19. Other than the Purchase Price, no additional fee or other consideration will be paid in connection with the Proposed Purchases.

20. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder, neither the Issuer nor the Selling Shareholder will be aware of any undisclosed "material change" or any undisclosed "material fact" in respect of the Issuer (each as defined in the Act).

21. The Selling Shareholder owns the Subject Shares and the Subject Shares were not acquired in anticipation of resale pursuant to the Proposed Purchases.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with each Proposed Purchase, provided that:

(a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's Normal Course Issuer Bid in accordance with the TSX NCIB Rules;

(b) the Issuer will refrain from conducting a Block Purchase in accordance with the TSX NCIB Rules during the calendar week that it completes each Proposed Purchase and may not make any further purchases under its Normal Course Issuer Bid for the remainder of that calendar day;

(c) the Purchase Price is not higher than the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of each Proposed Purchase;

(d) the Issuer will otherwise acquire any additional Common Shares pursuant to its Normal Course Issuer Bid and in accordance with the TSX NCIB Rules, including by means of open market transactions and by other means as may be permitted by the TSX, including private agreements under an issuer bid exemption order issued by a securities regulatory authority;

(e) immediately following each Proposed Purchase of the Subject Shares from the

Selling Shareholder, the Issuer will report the purchase of the Subject Shares to the TSX;

(f) at the time that each Agreement is entered into by the Issuer and the Selling Shareholder, neither the Issuer nor the Selling Shareholder will be aware of any undisclosed "material change" or any undisclosed "material fact" in respect of the Issuer (each as defined in the Act); and

(g) the Issuer will issue a press release in connection with the Proposed Purchases.

“David L. Knight”
Commissioner
Ontario Securities Commission

“Margot C. Howard”
Commissioner
Ontario Securities Commission

2.2.6 Natural Gas Exchange Inc. – ss. 38, 80 of the CFA and s. 147 of the OSA

Headnote

Section 147 of the Securities Act (OSA) and sections 38 and 80 of the Commodity Futures Act (CFA) – exemption from: (1) the requirement that NGX be registered as a commodity futures exchange under section 15 of the CFA; (2) the registration requirements of section 22 of the CFA with respect to trades by NGX participants in Ontario in NGX contracts; (3) the requirements of section 33 of the CFA with respect to the trading of NGX contracts by participants in Ontario; and (4) the requirement to be recognized as a stock exchange under section 21 of the OSA.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 21, 147.
Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 15, 22, 33, 38, 80.

Rule Cited

Ontario Securities Commission Rule 91-503 Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario (1997), 20 OSCB 1739.

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

AND

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

AND

IN THE MATTER OF
NATURAL GAS EXCHANGE INC. (NGX)

ORDER
(Sections 38 and 80 of the CFA and Section 147 of the OSA)

WHEREAS NGX has filed an application dated January 9, 2009 (Application) with the Ontario Securities Commission (Commission) requesting:

(a) an order pursuant to section 80 of the CFA exempting NGX from the requirement to be registered as a commodity futures exchange under section 15 of the CFA;

(b) an order pursuant to section 38 of the CFA exempting trades by NGX participants (Participants) in Ontario (Ontario Participants) in contracts on NGX (Contracts) from the registration requirement under section 22 of the CFA;

(c) an order pursuant to section 38 of the CFA exempting trades by Ontario Participants in Contracts from the requirements under section 33 of the CFA; and

(d) an order pursuant to section 147 of the OSA exempting NGX from the requirement to be recognized as a stock exchange under section 21 of the OSA.

AND WHEREAS Rule 91-503 *Trades in Commodity Futures Contracts and Commodity Futures Options Entered into on Commodity Futures Exchanges Situate Outside of Ontario* exempts trades of commodity futures contracts or commodity futures options made on a commodity futures exchange not registered with or recognized by the Commission under the CFA from sections 25 and 53 of the OSA;

AND WHEREAS NGX has represented to the Commission as follows.

1. NGX is a private company and is a wholly-owned subsidiary of TMX Group Inc., a public company governed by the laws of Ontario and listed on the Toronto Stock Exchange.

2. NGX operates an electronic trading system (Trading System) based in Calgary, Alberta, for the trading of Contracts in natural gas, electricity and heat rate products related to the gas and electricity markets, and anticipates introducing Contracts in oil and renewable energy certificates in the future.

3. NGX developed the Trading System to provide an electronic platform for trading of energy related commodities by sophisticated parties in a principal to principal market, and as such, the timing of settlement for Contracts align with standard over-the-counter market conventions for settlement.

4. NGX is recognized by the Alberta Securities Commission (ASC) under the Alberta Securities Act (ASA) as an exchange and a clearing agency by orders dated October 9, 2008 (Exchange Recognition Order and Clearing Agency Recognition Order, set out in Schedules "A" and "B", respectively) and is subject to regulatory oversight by the ASC pursuant to the ASA.

5. NGX is registered as a Derivatives Clearing Organization by the Commodity Futures Trading Commission (CFTC) under the Commodity Exchange Act (CEA) and is subject to oversight by the CFTC pursuant to the CEA.

6. NGX operates the Trading System as an exempt commercial market under the CEA.

7. Access to the Trading System for the purpose of trading in Contracts is restricted to Participants, each of which:

   a. has entered into a Contracting Party's Agreement; and

   b. has, or has a majority of its voting shares owned by one or more entities each of which has, a net worth exceeding $5,000,000 or total assets exceeding $25,000,000 (NGX Sophistication Thresholds); and

   c. uses the Trading System only as principal.

8. NGX applies its qualification criteria by subjecting each applicant to a due diligence process, which includes: review of constituent documentation and financial statements, conducting searches of relevant financial services information databases and conducting other know-your-client procedures.

9. NGX is required under its regulations to provide to the ASC, on request, access to all records and to cooperate with any other regulatory authority, including making arrangements for information-sharing.

10. Contracts traded on the Trading System are either cleared and settled through NGX's central counterparty clearing house or by the Participants themselves, independent of NGX.

11. The ASC discharges its regulatory oversight over NGX as an exchange and clearing agency through ongoing reporting requirements and by conducting periodic oversight assessments of NGX's operations to confirm that NGX is in compliance with the operating and clearing principles set out in the Exchange Recognition Order and Clearing Agency Recognition Order, respectively.

12. Contracts fall under the definitions of "commodity futures contract" or "commodity futures option" set out in section 1 of the CFA. NGX is therefore considered a "commodity futures exchange" as defined in section 1 of the CFA and is prohibited from carrying on business in Ontario unless it is registered or exempt from registration as an exchange under section 15 of the CFA.

13. NGX has been, and seeks to continue, providing Ontario market participants with access to trading in Contracts and as a result, is considered to be "carrying on business as a commodity futures exchange" in Ontario.

14. NGX is not registered with or recognized by the Commission as a commodity futures exchange under the CFA and no Contracts have been accepted by the Director as contemplated under clause 33(a) the CFA, therefore, Contracts are considered "securities" under paragraph (p) of the definition of "security" in subsection 1(1) of the OSA and NGX is considered a "stock exchange" under the OSA and is prohibited from carrying on business in Ontario unless it is recognized or exempt from recognition under section 21 of the OSA.

15. NGX has been operating in Ontario pursuant to interim exemptive relief orders granted by the Commission on November 17, 2006, as extended on November 16, 2007 and May 13, 2008.

16. Ontario Participants may be (i) utilities and other commercial enterprises that are exposed to risks attendant upon fluctuations in the price of a commodity and, to the extent applicable, (ii) investment banking arms of banks and (iii) hedge funds and other proprietary trading firms.

AND WHEREAS based on the Application and the representations NGX has made to the Commission, the Commission has determined that NGX satisfies the criteria set out in Schedule "C" and that the granting of exemptions from recognition and registration to NGX would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that:

(a) pursuant to section 80 of the CFA, NGX is exempt from registration as a commodity futures exchange under section 15 of the CFA;

(b) pursuant to section 38 of the CFA, trades in Contracts by Ontario Participants are exempt from the registration requirement under section 22 of the CFA;

(c) pursuant to section 38 of the CFA, trades in Contracts by Ontario Participants are exempt from the requirements under section 33 of the CFA; and

(d) pursuant to section 147 of the OSA, NGX is exempt from recognition as a stock exchange under section 21 of the OSA;

PROVIDED THAT NGX complies with the terms and conditions attached hereto as Schedule "D".

DATED March 31, 2009.

"Kevin J. Kelly"

"Margot C. Howard"

SCHEDULE "A"

ALBERTA SECURITIES COMMISSION

RECOGNITION ORDER
EXCHANGE

Natural Gas Exchange Inc.

Background

1. Natural Gas Exchange Inc. (**NGX**) has applied to the Alberta Securities Commission (the **Commission**), pursuant to the *Securities Act* (Alberta), R.S.A. 2000, c. S-4 (the **Act**), for the following:

   (a) recognition as an exchange for the trading of Contracts (as defined below);

   (b) an exemption of NGX's form of exchange contracts;

   (c) a registration exemption for the contracting parties (the **Contracting Parties**) who enter into NGX's standard form trading agreement with NGX (the **Contracting Party's Agreement**) (the **Registration Relief**); and

   (d) revocation of the Current Decision (as defined below) in Alberta.

2. NGX has concurrently applied to the Commission for recognition as a clearing agency as it also provides clearing and settlement services to Contracting Parties.

Interpretation

3. Unless otherwise defined, terms used in this order have the same meaning as in the Act or in National Instrument 14-101 *Definitions.*

Representations

4. NGX represents as follows:

   (a) NGX operates an electronic trading system (the **Trading System**) based in Calgary, Alberta, for the trading of natural gas, electricity and related contracts (the **Contracts**).

   (b) NGX has operated the Trading System since 1993 in accordance with the terms and conditions of a series of exemptive relief orders granted by the Commission and other Canadian securities regulatory authorities, the most recent of which is MRRS decision #1662761 dated December 1, 2004 (the **Current Decision**).

   (c) Access to the Trading System in respect of exchange contracts is restricted to Contracting Parties, each of which:

      (i) has entered into a Contracting Party's Agreement; and

      (ii) has, or has a majority of its voting shares owned by one or more entities each of which has, a net worth exceeding $5 000 000 or total assets exceeding $25 000 000 (the **NGX Sophistication Thresholds**).

   (d) The Contracting Parties use the Trading System only as principals.

Undertakings

5. NGX undertakes:

   (a) to comply with applicable securities legislation;

   (b) to operate the Trading System in accordance with the operating principles set out in Appendix A to this order (the **Operating Principles**);

(c) to report to the Commission in accordance with the reporting requirements set out in Appendix B to this order (the **Reporting Requirements**);

(d) not to enter into any contract, agreement or arrangement that may limit its ability to comply with applicable securities legislation or this order;

(e) to take reasonable steps to ensure that each officer or director of NGX is a fit and proper person for that role and that the past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity;

(f) to have appropriate conflict of interest provisions for all directors, officers and employees;

(g) to notify the Commission at least 10 business days in advance of entering into any agreement to outsource key Trading System functions;

(h) to notify the Commission at least 10 business days in advance of any significant change in the operation of the Trading System;

(i) to notify the Commission at least 10 business days in advance of any change in the beneficial ownership of NGX;

(j) to use its best efforts to provide the information required in paragraphs 5(g) to (i) above earlier than specified, when possible;

(k) to seek the Commission's prior approval of any significant changes to the NGX Sophistication Thresholds;

(l) to seek the Commission's acceptance of, or an exemption for, any new or revised Contract that differs significantly from the exchange contracts that have already been exempted by the Commission;

(m) to notify the Commission immediately upon NGX becoming aware that any of its representations in this order are no longer true and accurate or that it becomes unable to fulfil any of its undertakings set out in this order; and

(n) to comply with any request from the Executive Director of the Commission for electronic or any other form of access to the Trading System to assist the Commission in its oversight of NGX as an exchange.

Decision

6. Based on the above representations and undertakings the Commission, being satisfied that it would not be prejudicial to the public interest, recognizes NGX as an exchange pursuant to section 62 of the Act, exempts NGX from section 106(b), which requires the Commission's acceptance of the form of NGX's Current Contracts as exchange contracts, pursuant to section 213 and grants the Registration Relief pursuant to section 144(1) of the Act, provided that:

   (a) subject to paragraph 5(m) above, the representations made by NGX remain true and accurate; and

   (b) NGX fulfils the undertakings given above.

7. Pursuant to section 214 of the Act, the Current Decision is revoked in Alberta.

"original signed by"
Glenda A. Campbell, QC
Alberta Securities Commission

"original signed by"
Stephen R. Murison
Alberta Securities Commission

APPENDIX A
Operating Principles

1. ***Financial Resources*** - The exchange shall maintain adequate financial, operational and managerial resources to operate the Trading System and support its trade execution functions.

2. ***Operational Information Relating to Trading System and Contracts*** - The exchange shall provide disclosure to its participants of information about contract terms and conditions, trading conventions, mechanisms and practices, trading volume and other information relevant to participants.

3. ***Market Oversight*** - The exchange shall establish appropriate minimum standards for participants and programs for on-going monitoring of the financial status or credit-worthiness of participants; monitor trading to ensure an orderly market; maintain authority to collect or capture and retrieve all necessary information; and to intervene as necessary to ensure an orderly market.

4. ***Rule Enforcement*** - The exchange shall maintain adequate arrangements and resources for the effective monitoring and enforcement of its rules and for resolution of disputes and shall have the capacity to detect, investigate and enforce those rules (including the authority and ability to discipline, limit, suspend or terminate a participant's activities for violations of system rules).

5. ***System Safeguards*** - The exchange shall establish and maintain a program of oversight and risk analysis to ensure systems function properly and have adequate capacity and security, including emergency procedures and a plan for disaster recovery to ensure daily processing of transactions; and a program of periodic objective system testing and risk review to assess the adequacy and effectiveness of the Trading System's internal control systems, including a risk review of every new service and significant enhancement to existing services.

6. ***Record keeping*** - The exchange shall maintain records of all activities related to the Trading System's business in a form and manner acceptable to the Commission for a period of five years and provide an undertaking to make books and records available for inspection by Commission representatives on request.

7. ***Risk management*** - The exchange shall identify and manage the risks associated with exchange operations through the use of appropriate tools and procedures such as risk analysis tools and procedures.

8. ***Governance and Conflicts of Interest*** - Establish and enforce rules to minimize conflict of interest in the exchange's decision-making process and appropriate limitations on the use or disclosure of significant non-public information gained through the performance of official duties by board members, committee members or exchange employees or gained through an ownership interest in the exchange.

APPENDIX B
Reporting Requirements

In addition to fulfilling any reporting requirements in applicable securities legislation, the exchange will report as follows to the Commission:

Immediate Reporting

1. NGX will report immediately upon occurrence or upon becoming aware of the existence of:

   (a) any event or circumstance or situation that renders, or is likely to render, NGX unable to comply with applicable securities legislation or this order;

   (b) any default by NGX that affects its financial resources or its ability to meet its obligations as an exchange, including the particulars of the default and the resolution proposed. NGX shall also provide the Commission with information regarding the impact of the default on the adequacy of NGX's financial resources;

   (c) any order, sanction or directive received from, or imposed by, a regulatory or government body;

   (d) any investigations of NGX by a regulatory or government body;

   (e) any criminal or quasi-criminal charges brought against NGX, any of its subsidiaries, or any of the officers or directors of NGX or its subsidiaries; and

   (f) any civil suits brought against NGX, any of its subsidiaries, or any of the officers or directors of NGX or its subsidiaries, that would likely have a significant impact on NGX's business.

Key Event Reporting

2. NGX will report no later than 2 business days of the date of occurrence:

   (a) the appointment or resignation of one or more directors of NGX's board of directors,

   (b) a change to the senior management team;

   (c) any significant changes to the Contracting Party's Agreement.

   In the event that a default by a Contracting Party under the Contracting Party's Agreement is not resolved within 2 business days, NGX will report:

   (a) such default including particulars of the default, the parties involved in the default, and the method of resolution proposed.

Quarterly Reporting

3. NGX will provide, within 60 days of the end of each fiscal quarter:

   (a) an up-to-date list of Contracting Parties; and

   (b) interim financial statements.

Annual Reporting

4. NGX will provide, within 90 days of the end of each fiscal year:

   (a) audited financial statements; and

   (b) a self-assessment of the accomplishments and the challenges faced during the year which will include, but is not limited to:

      (i) a summary of NGX's business activity for the year;

      (ii) a report of NGX's market share throughout the year;

(iii) a summary of new products introduced and expansion plans that were implemented during the year;

(iv) a report detailing the testing undertaken to ensure the adequacy of system safeguards, including, but not limited to, risk management methodologies, emergency procedures and disaster recovery plans, business continuity and proper functionality of backup facilities;

(v) a summary of staffing changes at NGX during the year; and

(vi) any additional information that NGX considers important.

Other

5. The Executive Director may direct the form of the reporting required and may, pursuant to applicable securities legislation, require further information from NGX.

SCHEDULE "B"

RECOGNITION ORDER
CLEARING AGENCY

Natural Gas Exchange Inc.

Background

1. Natural Gas Exchange Inc. (**NGX**) has applied to the Alberta Securities Commission (the **Commission**) for recognition under the *Securities Act* (Alberta), R.S.A. 2000, c. S-4 (the **Act**) as a clearing agency.

2. NGX has concurrently applied to the Commission for recognition under the Act as an exchange because it also operates an electronic trading system.

3. The definition of "clearing agency" in the Act does not contemplate an entity that is also an exchange (the **Definition Limitation**).

Interpretation

4. Unless otherwise defined, terms used in this order have the same meaning as in the Act or in National Instrument 14-101 *Definitions*.

Representations

5. NGX represents as follows:

   (a) NGX operates an electronic clearing system (the **Clearing System**) based in Calgary, Alberta, for clearing and settlement of natural gas, electricity and related commodity contracts, certain of which constitute exchange contracts, futures contracts or options under the Act (the **Contracts**).

   (b) NGX has operated an electronic trading system (the **Trading System**) since 1993 in accordance with the terms and conditions of exemptive relief granted by the Commission and other Canadian securities regulatory authorities.

   (c) NGX provides clearing and settlement services for Contracts traded through the Trading System and on third party marketplaces.

   (d) NGX also provides clearing services for certain over-the-counter transactions that are entered into the Clearing System.

   (e) Access to the Clearing System is restricted to entities (**Contracting Parties**) each of which:

      (i) has entered into a contractual agreement (the **Contracting Party's Agreement**) with NGX; and

      (ii) has, or has a majority of its voting shares owned by one or more entities each of which has, a net worth exceeding $5 000 000 or total assets exceeding $25 000 000 (the **NGX Sophistication Threshold**s).

   (f) The Contracting Parties use the Clearing System only as principals.

Undertakings

6. NGX undertakes:

   (a) to comply with applicable securities legislation;

   (b) to operate the Clearing System in accordance with the clearing principles set out in Appendix A to this order (the **Clearing Principles**);

   (c) to report to the Commission in accordance with the reporting requirements set out in Appendix B to this order (the **Reporting Requirements**);

(d) not to enter into any contract, agreement or arrangement that may limit its ability to comply with applicable securities legislation or this order;

(e) to take reasonable steps to ensure that each officer or director of NGX is a fit and proper person for that role and that the past conduct of each officer or director affords reasonable grounds for belief that the officer or director will perform his or her duties with integrity;

(f) to notify the Commission at least 10 business days in advance of entering into any agreement to outsource key Clearing System functions;

(g) to notify the Commission at least 10 business days in advance of any significant change in the operation of the Clearing System;

(h) to notify the Commission at least 10 business days in advance of any change in the beneficial ownership of NGX;

(i) to use its best efforts to provide the information required in paragraphs 6(f) to (h) above earlier than specified, when possible;

(j) to seek the Commission's prior approval of any significant changes to the NGX Sophistication Thresholds;

(k) to notify the Commission immediately upon NGX becoming aware that any of its representations in this order are no longer true and accurate or that it becomes unable to fulfil any of its undertakings set out in this order; and

(l) to comply with any request from the Executive Director of the Commission for electronic or any other form of access to the NGX Clearing System to assist the Commission in its oversight of NGX as a clearing agency.

Decision

7. Based on the above representations and undertakings and notwithstanding the Definition Limitation, the Commission, being satisfied that it would not be prejudicial to the public interest, recognizes NGX as a clearing agency pursuant to sections 67 and 213 of the Act, provided that:

(a) subject to paragraph 6(k) above, the representations made by NGX remain true and accurate; and

(b) NGX fulfils the undertakings given above.

"original signed by"
Glenda A. Campbell, QC
Alberta Securities Commission

"original signed by"
Stephen R. Murison
Alberta Securities Commission

APPENDIX A

Clearing Principles

1. **Core Principle 1: Financial Resources** - The clearing agency shall demonstrate on an ongoing basis that it has adequate financial, operational, and managerial resources to discharge the responsibilities of a clearing agency.

2. **Core Principle 2: Participant and Product Eligibility** - The clearing agency shall maintain: (i) appropriate admission and continuing eligibility standards (including appropriate minimum financial requirements) for its members or participants; and (ii) appropriate standards for determining eligibility of products, agreements, contracts or transactions submitted to the clearing agency.

3. **Core Principle 3: Risk Management** - The clearing agency shall maintain the ability to manage the risks associated with discharging the responsibilities of a clearing agency through the use of appropriate tools and procedures.

4. **Core Principle 4: Settlement Procedures** - The clearing agency shall maintain the ability to: (i) complete settlements on a timely basis under varying circumstances; (ii) maintain an adequate record of the flow of funds associated with each transaction cleared; and (iii) comply with the terms and conditions of any permitted netting or offset arrangements with other clearing organizations.

5. **Core Principle 5: Treatment of Funds** - The clearing agency shall maintain standards and procedures designed to protect and ensure the safety of member or participant funds.

6. **Core Principle 6: Default Rules and Procedures** - The clearing agency shall maintain rules and procedures designed to allow for the efficient, fair, and safe management of events of member or participant insolvency or default by the member or participant with respect to its obligations to the clearing agency.

7. **Core Principle 7: Rule Enforcement** - The clearing agency shall: (i) maintain adequate arrangements and resources for the effective monitoring and enforcement of compliance with the rules of the clearing agency and for resolution of disputes; and (ii) maintain the authority and ability to discipline, limit, suspend, or terminate a member's or participant's activities for violations of rules of the clearing agency.

8. **Core Principle 8: System Safeguards** - The clearing agency shall: (i) maintain a program of oversight and risk analysis to ensure that the automated systems of the clearing agency function properly and have adequate capacity and security; (ii) maintain emergency procedures and a plan for disaster recovery; and (iii) ensure that its systems, including back-up facilities, are annually tested by a qualified professional, sufficient to ensure timely processing, clearing and settlement of transactions.

9. **Core Principle 9: Reporting** - The clearing agency shall provide to the Commission all information necessary for the Commission to conduct its oversight function of the clearing agency with respect to the activities of the clearing agency.

10. **Core Principle 10: Recordkeeping** - The clearing agency shall maintain records of all activities related to its business as a clearing agency, in a form and manner acceptable to the Commission, for a period of 5 years. The clearing agency shall also maintain a record of allegations or complaints it receives concerning instances of suspected fraud or manipulation in clearing activity.

11. **Core Principle 11: Public Information** - The clearing agency shall make information concerning the rules and operating procedures governing the clearing and settlement systems (including default procedures) available to its market participants.

12. **Core Principle 12: Information Sharing** - The clearing agency shall: (i) enter into and abide by the terms of all appropriate and applicable domestic and international information-sharing agreements; and (ii) use relevant information obtained from the agreements in carrying out the clearing agency's risk management program.

13. **Core Principle 13: Restraint of Trade** - The clearing agency shall avoid: (i) adopting any rule or taking any action that results in any unreasonable restraint of trade; or (ii) imposing any material anticompetitive burden on trading in the regulated markets.

APPENDIX B

Reporting Requirements

In addition to fulfilling any reporting requirements in applicable securities legislation, the clearing agency will report as follows to the Commission:

Immediate Reporting

1. NGX will report immediately upon occurrence or upon becoming aware of the existence of:

   (a) any event or circumstance or situation that renders, or is likely to render, NGX unable to comply with applicable securities legislation or this order;

   (b) any default by NGX that affects its financial resources or its ability to meet its obligations as a clearing agency, including the particulars of the default and the resolution proposed. NGX shall also provide the Commission with information regarding the impact of the default on the adequacy of NGX's financial resources;

   (c) any order, sanction or directive received from, or imposed by, a regulatory or government body;

   (d) any investigations of NGX by a regulatory or government body;

   (e) any criminal or quasi-criminal charges brought against NGX, any of its subsidiaries, or any of the officers or directors of NGX or its subsidiaries; and

   (f) any civil suits brought against NGX, any of its subsidiaries, or any of the officers or directors of NGX or its subsidiaries, that would likely have a significant impact on NGX's business.

Key Event Reporting

2. NGX will report no later than 2 business days of the date of occurrence:

   (a) the appointment or resignation of one or more directors of NGX's board of directors;

   (b) a change to the senior management team;

   (c) any significant changes to the Contracting Party's Agreement.

   In the event that a default by a Contracting Party under the Contracting Party's Agreement is not resolved within 2 business days, NGX will report:

   (a) such default including particulars of the default, the parties involved in the default, and the method of resolution proposed.

Quarterly Reporting

3. NGX will provide, within 60 days of the end of each fiscal quarter:

   (a) a description of any significant margin requirement exceptions that NGX allowed during that quarter;

   (b) an up-to-date list of Contracting Parties; and

   (c) interim financial statements.

Annual Reporting

4. NGX will provide, within 90 days of the end of each fiscal year:

   (a) audited financial statements; and

   (b) a self-assessment of the accomplishments and the challenges faced during the year, which will include, but is not limited to:

(i) a summary of NGX's business activity for the year;

(ii) a summary of new products introduced and expansion plans that were implemented during the year;

(iii) a report detailing the testing undertaken to ensure the adequacy of system safeguards including, but not limited to, risk management methodologies, emergency procedures and disaster recovery plans, business continuity and proper functionality of backup facilities;

(iv) a summary of staffing changes at NGX during the year; and

(v) any additional information that NGX considers important.

Triennial Reporting

5. Every three years NGX will provide a report of a review conducted by an independent party, assessing NGX's clearing operations risk and controls.

Other

6. The Executive Director may direct the form of the reporting required and may, pursuant to applicable securities legislation, require further information from NGX.

SCHEDULE "C"

Criteria for Exemption from Recognition of a Derivatives Exchange Recognized in Another CSA Jurisdiction

PART 1 REGULATION OF THE EXCHANGE

1.1 Regulation of the Exchange

The Exchange is recognized or authorized by another securities commission or similar regulatory authority in Canada and, where applicable, is in compliance with National Instrument 21-101 – *Marketplace Operation* and National Instrument 23-101 – *Trading Rules*, each as amended from time to time.

PART 2 GOVERNANCE

2.1 Governance

The governance structure and governance arrangements of the Exchange ensure:

(a) effective oversight of the Exchange,

(b) the Exchange's business and regulatory decisions are in keeping with its public interest mandate,

(c) fair, meaningful and diverse representation on the governing body (Board) and any committees of the Board, including a reasonable proportion of independent directors,

(d) a proper balance among the interests of the different persons or companies accessing the facilities and/or services of the Exchange,

(e) the Exchange has policies and procedures to appropriately identify and manage conflicts of interest,

(f) each director or officer of the Exchange, and each person or company that owns or controls, directly or indirectly, more than 10 percent of the Exchange is a fit and proper person, and

(g) there are appropriate qualifications, remuneration, limitation of liability and indemnity provisions for directors and officers.

PART 3 FEES

3.1 Fees

(a) All fees imposed by the Exchange are equitably allocated and do not have the effect of creating unreasonable barriers to access.

(b) The process for setting fees is fair and appropriate, and the fee model is transparent.

PART 4 REGULATION OF PRODUCTS

4.1 Approval of Products

The products traded on the Exchange are approved by the appropriate authority.

4.2 Product Specifications

The terms and conditions of trading the products are in conformity with the usual commercial customs and practices for the trading of such products.

4.3 Risks Associated with Trading Products

The Exchange maintains adequate provisions to measure, manage and mitigate the risks associated with trading products on the Exchange including, but not limited to, margin requirements, intra-day margin calls, daily trading limits, price limits, position limits, and internal controls.

PART 5 ACCESS

5.1 Fair Access

(a) The Exchange has established appropriate written standards for access to its services including requirements to ensure

(i) participants are appropriately registered as applicable under Ontario securities laws or Ontario commodity futures laws, or exempted from these requirements,

(ii) the competence, integrity and authority of systems users, and

(iii) systems users are adequately supervised.

(b) The access standards and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

PART 6 REGULATION OF PARTICIPANTS ON THE EXCHANGE

6.1 Regulation

The Exchange has the authority, capacity, systems and processes to undertake its regulation functions by setting requirements governing the conduct of its participants, monitoring their conduct, and appropriately disciplining them for violations of Exchange requirements.

PART 7 RULEMAKING

7.1 Purpose of Rules

(a) The Exchange's rules, policies and other similar instruments (Rules) are designed to govern the operations and activities of participants.

(b) The Rules are not contrary to the public interest and are designed to

(i) ensure compliance with securities legislation,

(ii) prevent fraudulent and manipulative acts and practices,

(iii) promote just and equitable principles of trade,

(iv) foster co-operation and co-ordination with persons or companies engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities,

(v) provide a framework for disciplinary and enforcement actions, and

(vi) ensure a fair and orderly market.

(c) The Exchange shall not

(i) permit unreasonable discrimination among participants, or

(ii) impose any burden on competition that is not reasonably necessary and appropriate.

PART 8 DUE PROCESS

8.1 Due Process

For any decision made by the Exchange that affects a participant, including a decision in relation to access, exemptions, or discipline, the Exchange ensures that:

(a) parties are given an opportunity to be heard or make representations, and

(b) the Exchange keeps a record of, gives reasons for, and provides for appeals or reviews of its decisions.

PART 9 SYSTEMS AND TECHNOLOGY

9.1 Systems and Technology

Each of the Exchange's critical systems has appropriate internal controls to ensure completeness, accuracy, integrity and security of information, and, in addition, has sufficient capacity and business continuity plans to enable the Exchange to properly carry on its business. Critical systems are those that support the following functions:

(a) order entry,

(b) order routing,

(c) execution,

(d) trade reporting,

(e) trade comparison,

(f) data feeds,

(g) market surveillance,

(h) trade clearing, and

(i) financial reporting.

9.2 Information Technology Risk Management Procedures

The Exchange has appropriate risk management procedures in place including those that handle trading errors, trading halts and circuit breakers.

PART 10 FINANCIAL VIABILITY AND REPORTING

10.1 Financial Viability

The Exchange has sufficient financial resources for the proper performance of its functions and to meet its responsibilities.

PART 11 CLEARING AND SETTLEMENT

11.1 Clearing Arrangements

The Exchange has appropriate arrangements for the clearing and settlement of transactions through a clearing house.

11.2 Regulation of the Clearing House

The clearing house is subject to acceptable regulation.

11.3 Access to the Clearing House

(a) The clearing house has established appropriate written standards for access to its services.

(b) The access standards for clearing members and the process for obtaining, limiting and denying access are fair, transparent and applied reasonably.

11.4 Sophistication of Technology of Clearing House

The Exchange has assured itself that the information technology used by the clearing house has been adequately reviewed and tested and provides at least the same level of safeguards as required of the Exchange.

11.5 Risk Management of Clearing House

The Exchange has assured itself that the clearing house has established appropriate risk management policies and procedures, contingency plans, default procedures and internal controls.

PART 12 TRANSPARENCY

12.1 Transparency

The Exchange has adequate arrangements to record and publish accurate and timely trade and order information. This information is provided to all participants on an equitable basis.

PART 13 RECORD KEEPING

13.1 Record Keeping

The Exchange has and maintains adequate systems in place for the keeping of books and records, including, but not limited to, those concerning the operations of the Exchange, audit trail information on all trades, and compliance with, and/or violations of Exchange requirements.

PART 14 OUTSOURCING

14.1 Outsourcing

Where the Exchange has outsourced any of its key functions, it has appropriate and formal arrangements and processes in place that permit it to meet its obligations and that are in accordance with industry best practices.

PART 15 INFORMATION SHARING AND REGULATORY COOPERATION

15.1 Information Sharing and Regulatory Cooperation

The Exchange has mechanisms in place to ensure that it is able to cooperate, by sharing information or otherwise, with the Commission and its staff, self-regulatory organizations, other exchanges, investor protection funds, and other appropriate regulatory bodies.

SCHEDULE "D"

Terms and Conditions

REGULATION OF NGX

1. NGX will maintain its recognition as an exchange and a clearing agency with the ASC and will continue to be subject to the regulatory oversight of the ASC.

2. NGX will continue to comply with its ongoing requirements set out in the ASC Exchange Recognition Order and Clearing Agency Recognition Order.

3. NGX will continue to meet the criteria for exemption from registration as an exchange, as set out in Schedule "C".

ACCESS

4. Each Participant is a sophisticated party that meets the NGX Sophistication Thresholds.

5. All orders for Contracts transmitted to the Trading System by an Ontario Participant pursuant to the relief herein will be solely as principal.

PRODUCTS

6. Contracts traded on the Trading System are only for natural gas, electricity, oil, heat rate products related to the gas and electricity markets, and renewable energy certificates.

SUBMISSION TO JURISDICTION AND AGENT FOR SERVICE

7. For greater certainty, NGX submits to the non-exclusive jurisdiction of (i) the courts and administrative tribunals of Ontario and (ii) an administrative proceeding in Ontario, in a proceeding arising out of, related to or concerning or in any other manner connected with the activities of NGX in Ontario.

8. For greater certainty, NGX will file with the Commission a valid and binding appointment of an agent for service in Ontario upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding arising out of or relating to or concerning the activities of NGX in Ontario.

REGULATION OF PARTICIPANTS

9. NGX will provide for adequate arrangements and resources to effectively monitor trading by Participants on the Trading System to ensure an orderly market and to enforce its rules.

FILING REQUIREMENTS

ASC Filings

10. NGX will provide to staff of the Commission, concurrently, all notices and reports it is required to provide to or file with the ASC pursuant to the undertakings given by NGX in the Exchange Recognition Order and Clearing Agency Recognition Order, except:

    (a) reports on defaults by a contracting party not resolved within 2 days;

    (b) with respect to the self-assessment to be provided on an annual basis;

        i. the summary of NGX's business activities,

        ii. the report on NGX's market share,

        iii. the summary of new products and expansion plans implemented during the year, and

        iv. the summary of staffing changes; and

    (c) the description of significant margin exceptions.

Prompt Notice

11. NGX will promptly notify staff of the Commission of any of the following:

    (a) any material change to the business or operations of NGX as provided in the Application;

    (b) any change in the NGX Sophistication Thresholds;

    (c) any change or proposed change to the Exchange Recognition Order or the Clearing Agency Recognition Order; and

    (d) any change to the regulatory oversight of NGX by the ASC.

Quarterly Reporting

12. NGX will maintain the following updated information and submit such information to the Commission on at least a quarterly basis, and at any time promptly upon the request of staff of the Commission:

    (a) a current list of all Ontario Participants;

    (b) a list of all Ontario Participants against whom disciplinary action has been taken in the last quarter by NGX or the ASC with respect to activities on NGX;

    (c) a list of all investigations by NGX relating to Ontario Participants; and

    (d) a list of all Ontario applicants who have been denied membership to NGX.

INFORMATION SHARING

13. Upon request from staff of the Commission to the ASC, NGX will provide to staff of the Commission through the ASC, subject to applicable laws, any information within the possession or control of NGX and otherwise co-operate wherever reasonable with the Commission or its staff.

2.2.7 Oversea Chinese Fund Limited Partnership et al. – ss. 127(7), 127(8)

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

AND

IN THE MATTER OF
OVERSEA CHINESE FUND LIMITED PARTNERSHIP,
WEIZHEN TANG AND ASSOCIATES INC.,
WEIZHEN TANG CORP. AND
WEIZHEN TANG

EXTENSION OF TEMPORARY ORDER
Subsections 127(7) and (8)

WHEREAS on the 17th day of March, 2009, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), the Ontario Securities Commission (the "Commission") made the following temporary orders (the "Temporary Order") against Oversea Chinese Fund Limited Partnership ("Oversea"), Weizhen Tang and Associates Inc. ("Associates"), Weizhen Tang Corp. ("Corp.") and Weizhen Tang, (collectively the "Respondents"):

1. that all trading in securities of Oversea, Associates and Corp. shall cease;

2. that all trading by the Respondents shall cease; and

3. that the exemptions contained in Ontario securities law do not apply to the Respondents;

AND WHEREAS on March 17, 2009, pursuant to subsection 127(6) of the Act the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on March 18, 2009 the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on April 1, 2009 at 2:00 p.m.;

AND WHEREAS the Notice of Hearing sets out that the Hearing is to consider, inter alia, whether, in the opinion of the Commission, it is in the public interest, pursuant to subsections 127(7) and (8) of the Act to extend the Temporary Order until such further time as considered necessary by the Commission;

AND WHEREAS Staff of the Commission ("Staff") have served the Respondents with copies of the Temporary Order, Notice of Hearing, and Staff's supporting materials;

AND WHEREAS counsel for the Respondents advised the Commission that the Respondents did not oppose the extension of the Temporary Order;

AND WHEREAS the Commission considered the evidence and submissions before it;

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

IT IS HEREBY ORDERED pursuant to subsection 127(8) of the Act that the Temporary Order is extended to September 10, 2009; and

IT IS FURTHER ORDERED that the hearing in this matter is adjourned to September 9, 2009 at 10:00 a.m or as soon thereafter as the hearing can be held.

DATED at Toronto this 1st day of April, 2009.

"Lawrence E. Ritchie"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Kwok-On Aloysius Lo

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

AND

IN THE MATTER OF
KWOK-ON ALOYSIUS LO

HEARING HELD PURSUANT TO SECTIONS 127 AND 127.1 OF THE ACT

SETTLEMENT HEARING RE: KWOK-ON ALOYSIUS LO

HEARING:	Thursday, March 5, 2009		
PANEL:	Lawrence E. Ritchie	–	Vice Chair and Chair of the Panel
	Carol S. Perry	–	Commissioner
APPEARANCES:	Jane Waechter	–	for Staff of the Ontario Securities Commission
	John Ormston	–	for Kwok-On Aloysius Lo

ORAL RULING AND REASONS

The following text has been prepared for the purpose of publication in the Ontario Securities Commission Bulletin and is based on excerpts of the transcript of the hearing. The excerpts have been edited and supplemented and the text has been approved by the Chair of the Panel for the purpose of providing a public record of the decision.

Chair:

[1] This was a hearing under sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, (the "Act") for the Ontario Securities Commission (the "Commission") to consider whether it is in the public interest to approve a proposed Settlement Agreement between Staff of the Commission ("Staff") and the respondent Kwok-On Aloysius Lo ("Lo").

[2] We have read Staff's written submissions, and heard the oral submissions and we, as a Panel, have decided to approve the Settlement Agreement as being in the public interest. These are our oral reasons in this matter which will be published in the Bulletin.

[3] The facts and circumstances agreed to by Staff and Lo are set out in the Settlement Agreement. These facts are not findings of fact by this Panel, rather, they are facts agreed to by Staff and Lo for purposes of this settlement. In approving the Settlement Agreement, we relied on the facts in the agreement and those facts represented to us at the hearing today. We have not considered any facts other than those to which the parties have agreed, as is the ordinary and usual practice in these matters (see: *Re Rankin* (2008), 31 O.S.C.B. 3303 at para. 5).

[4] Lo is a resident of Ontario. He has never been registered in any capacity under the Act.

[5] The Settlement Agreement addresses two issues that emanate from Lo's conduct:

(a) Lo's trading activity that contributed to a misleading appearance as to the trading activity and price in 8 listed securities; and

(b) Lo's conduct in relation to the accounts of two individuals was such that he should have been registered under the Act.

[6] In the 5 month period May 1, 2006 to September 30, 2006, Lo executed trades in a manner that repeatedly invoked the minimum guarantee fill ("MGF") facility of the TSX for the shares of 8 listed stocks and resulted in trades at artificial prices.

[7] Through ninety trades of this nature ("MGF Trades"), Lo generated a profit of $12,086.00 among the accounts described below.

[8] In carrying out the MGF trades, Lo executed 5 wash trades which involved no change in beneficial ownership of the shares.

[9] In carrying out the MGF Trades, Lo traded in his own discount brokerage account and in the discount brokerage accounts of two other individuals. One of the effects of the MGF Trades was a transfer of economic wealth from the accounts of the two individuals to Lo's account in the amount of $6,555.00.

[10] The two individual account holders were not sophisticated investors. They authorized Lo to select and implement a trading strategy for their accounts and had knowledge of the trading in their accounts by Lo. To execute trades, Lo accessed the two individuals' accounts online, after he requested and received their account numbers and passwords. Lo ought to have been registered under the Act to carry out this trading activity. According to brokerage firm records, Lo did not have trading authority in the accounts of the two individuals.

[11] A fact that was agreed upon by the parties at the hearing in response to our question is that Lo is 32 years old and is employed in the IT industry, an industry outside of the financial sector. This is a relevant fact to us in coming to our decision.

[12] By agreeing to the Settlement Agreement, Lo admits that by engaging in the conduct described above, he breached Ontario securities law by contravening section 25 and subsection 126.1(a) of the Act. These are very serious violations.

[13] Also, by entering into the Settlement Agreement, Lo has recognized the seriousness of his misconduct and admits that he engaged in conduct that was contrary to the public interest. Lo has accepted sanctions, including a prohibition from becoming a registrant under Ontario securities law for 10 years, a 5 year cease trade order with an RRSP carve out, removal of other exemptions, a disgorgement order and an order to pay the Commission's costs of the investigation.

[14] Before we go to our order, we would like to briefly refer to the law as it applies to the consideration of the Settlement Agreement before the Panel.

[15] The Commission's mandate in upholding the purposes of the Act, as set out in section 1.1 of the Act, is:

(a) to provide protection to investors from unfair, improper or fraudulent practices; and

(b) to foster fair and efficient capital markets and confidence in the capital markets.

[16] Further, in accordance with paragraph 2.1(2)(ii) of the Act, the Commission is guided by certain fundamental principles in pursuing the purposes of the Act, including "restrictions on fraudulent and unfair market practices and procedures".

[17] The role of the Commission in exercising its public interest jurisdiction is set out in *Re Mithras Management Ltd.* (1990), 13 O.S.C.B. at 1600. Our role here is not to penalize. Instead:

> … the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 of the Act [now 122]. (*Re Mithras Management Ltd.*, *supra* at 1610-1611)

[18] We are guided by the sanctioning factors listed in *Re M.C.J.C. Holdings and Michael Cowpland* (2002), 25 O.S.C.B. 1133 and *Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743, which Staff referred to in their written submissions:

(a) the seriousness of the allegations;

(b) the respondent's experience in the marketplace;

(c) the level of the respondent's activity in the marketplace;

(d) whether or not there has been a recognition of the seriousness of the improprieties;

(e) the restraint of future conduct that is likely to be prejudicial to the public interest (with reference to past conduct);

(f) any mitigating factors; and

(g) the remorse of the respondent.

[19] In addition, appropriate sanctions need to take into account the specific circumstances of each case (*Re M.C.J.C. Holdings and Michael Cowpland*, *supra* at 1134-1135).

[20] With regards to trading activity and investor expectations, this Commission has stated that:

> Investors have a right to expect that, in a regulated market, the quotes, prices and trading volumes in the market are true and proper and not manipulated. (*Re Robinson* (1996), 19 O.S.C.B. 2643 at para. 277)

[21] As this Commission affirmed in *Re Delage* (2009), 32 O.S.C.B. 1240, investor confidence in the validity of the trading activity conducted in the marketplace is critical to the maintenance of efficient capital markets:

> Investors must have confidence that they can trade in a marketplace in which the available information properly reflects genuine trading activity. Investors in the capital market base their behaviour and their investment decisions on posted trading prices. They are entitled to assume that the posted prices reflect bona fide transactions in a market operating free of improper influence. Their own transactions are then reflected in subsequent prices. If any investor makes an investment decision in reliance on a posted price that does not reflect genuine trading activity, that investor may be harmed. Subsequent transactions could also be materially affected by that single instance of a misleading posted price. The result could be harm to investors generally and the undermining of investor confidence in the marketplace. (*Re Podorieszach* [2004] A.S.C.D. No. 360 at para. 87 as quoted in *Re Delage*, *supra* at para. 33)

[22] Section 25 of the Act requires persons who trade in securities to be registered (subject to certain specific exceptions). As this Commission has stated in *Re Hew* (2005), 28 O.S.C.B. 6223 at para. 15 and other decisions, "Registration is meant to protect the public". As we said in *Re Michalik* (2007), 30 O.S.C.B. 6717 at para. 48, persons who engage in activities requiring registration, whether trading and/or advising, "have a very important function in the capital markets and they are also in a position where they may potentially harm the public". This is why regulating the conduct of registrants is a matter of public interest (see *Michalik*). For this reason, the requirement to be registered, and the granting of registration is an essential exercise for market and public protection. As we have said previously, "[r]egistration is a privilege that is granted to individuals and entities that have demonstrated suitability... no person has a right to be registered" (*Re Istanbul* (2008), 31 O.S.C.B. 3799 at para. 60). Correspondingly, no person has the right to engage in activities that require registration, without being registered.

[23] In *Re Sohan Singh Koonar et al.* (2002), 25 O.S.C.B. 2691, this Commission held that the role of a Commission Panel in reviewing a settlement agreement is not to substitute its own sanctions for what is proposed in the settlement agreement. Instead, the Commission should ensure that the agreed sanctions in the settlement agreement are within acceptable parameters.

[24] This is what we as a Panel have done in approving this Settlement Agreement. We are of the view that the sanctions set out in the Settlement Agreement are within the acceptable parameters.

[25] We find that together, all the sanctions imposed in this matter provide adequate specific and general deterrence, which the Supreme Court of Canada has established is an important regulatory objective for securities commissions (*Re Cartaway Resources Corp.*, [2004] 1 S.C.R. 672). The sanctions: (i) reflect an appropriate outcome for Lo and deter any future misconduct of this nature; (ii) encourage responsible trading practices in accordance with Ontario securities law; and (iii) contribute to the fair and efficient operation of the capital markets.

[26] This came before us as a settlement at first instance. Staff's Statement of Allegations accompanied a Notice of Hearing for approval of this settlement. This is a relevant factor for us and is reflected in the negotiated proposal that has been put to us for approval. There is great benefit achieved in negotiated settlements. We note that this was not a hearing on the merits. There is no certainty as to the outcome in contested hearings, and certainty in these matters is desirable for the public, as well as for the parties to the agreement. As was noted recently by this Commission in *Re Biovail Corp.* (2009), 32 O.S.C.B. 1979, which was a hearing to consider the approval of a settlement agreement between Staff and Brian H. Crombie, "[i]n addition,

consideration should be given to the agreement reached between adversarial parties, as a balancing of factors and interests, has taken place between [these adversarial parties]" (*Re Biovail*, *supra*, at para. 21).

[27] We also note that Lo's cooperation with Staff is noted in the Settlement Agreement and that by settling, Commission resources have been conserved. As stated above, we are of the view that the Respondent's conduct in this matter is very serious, and that sanctions for such conduct must be assessed in the context of the mitigating factors discussed above. We have done so, and therefore, we find that the agreed upon sanctions are acceptable and fall within acceptable parameters.

[28] Therefore, we approve the Settlement Agreement as being in the public interest, and we order that:

(a) the settlement agreement is approved;

(b) the Respondent is prohibited from becoming a registrant under Ontario securities law for a period of 10 years commencing on the date of the Commission's order;

(c) the Respondent is prohibited from trading or acquiring securities for a period of 5 years commencing on the date of the Commission's order, subject to the exception that the Respondent will be permitted to trade in one RRSP account in his own name (which he will identify in writing to the Staff of the Commission), provided that the trades in the RRSP account are limited to trades in mutual fund units, guaranteed investment certificates, treasury bills, debt instruments that cannot be converted (directly or indirectly) into shares or securities listed on the Toronto Stock Exchange or New York Stock Exchange;

(d) the exemptions contained in Ontario securities law do not apply to the Respondent for a period of 5 years commencing on the date of the Commission's order;

(e) the Respondent pay disgorgement of $18,641.00, to be allocated to or for the benefit of third parties under s. 3.4(2)(b) of the Act; and

(f) the Respondent pay the Commission's costs of the investigation in the amount of $5,000.00.

Approved by the Chair of the Panel on March 27, 2009.

"Lawrence E. Ritchie"

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

*** THERE IS NOTHING TO REPORT THIS WEEK.**

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
Outlook Resources Inc.	31 Mar 09	13 Apr 09			
TriNorth Capital Inc.	01 Apr 09	14 Apr 09			
Orsu Metals Corporation	01 Apr 09	14 Apr 09			

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
Brainhunter Inc.	28 Jan 09	10 Feb 09	10 Feb 09		
Coalcorp Mining Inc.	18 Feb 09	03 Mar 09	03 Mar 09		
Outlook Resources Inc.	31 Mar 09	13 Apr 09			
TriNorth Capital Inc.	01 Apr 09	14 Apr 09			
Orsu Metals Corporation	01 Apr 09	14 Apr 09			

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Chapter 7

Insider Reporting

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

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND 45-501F1

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
12/22/2008	12	Ascendancy #2 Limited Partnership - Units	1,048,000.00	N/A
12/30/2008	1	Ascendancy #2 Limited Partnership - Units	5,000,000.00	N/A
02/06/2009	6	Ascendancy #2 Limited Partnership - Units	340,000.00	N/A
02/27/2009	2	Ascendancy #2 Limited Partnership - Units	180,000.00	N/A
03/11/2009	12	AuEx Ventures, Inc. - Units	5,482,500.00	3,000,000.00
03/24/2009	2	AXA Asia Pacific Holdings Limited - Common Shares	5,828,596.62	2,523,202.00
03/12/2009	1	Bontan Corporation Inc. - Units	62,280.00	N/A
02/05/2009 to 02/13/2009	4	Bri-Gill Development Corporation Ltd. - Preferred Shares	81,200.00	812.00
03/17/2009 to 03/20/2009	3	BTI Systems Inc. - Debentures	1,125,452.83	N/A
03/02/2009	6	Canadian Western Bank - Preferred Shares	135,000,000.00	N/A
02/27/2009	35	Cannasat Therapeutics Inc. - Common Shares	387,000.00	3,870,000.00
03/20/2009 to 03/25/2009	21	Capella Resources Ltd. - Common Shares	1,095,997.72	2,155,872.00
03/09/2009 to 03/19/2009	17	CMC Markets UK plc - Contracts for Differences	49,928.00	17.00
02/25/2009	1	Constantine Metal Resources Ltd. - Common Shares	3,000.00	15,000.00
12/17/2008	10	Crowflight Minerals Ltd. - Flow-Through Shares	4,250,700.00	23,615,000.00
02/01/2008 to 08/01/2008	3	DB Equilibria Japan Fund - Units	20,035,000.00	N/A
08/01/2008	1	DB Torus Japan Fund Ltd. - Units	135,000.00	135.00
03/26/2009	6	Ecu Silver Mining Inc. - Common Shares	7,710,405.00	11,014,867.00
03/16/2009	2	ERI 2 Inc. - Common Shares	515,000.00	1,030,000.00
02/27/2009	7	Eugenic Corp. - Units	508,028.20	8,910,564.00
03/13/2009	2	First Point Minerals Corp. - Units	250,000.00	2,500,000.00
03/19/2009	6	Glenmore & Centre Retail LP - Units	250,000.00	10.00
01/01/2008 to 12/31/2008	242	GMP Diversified Alpha Fund - Units	146,759,240.00	N/A

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
03/19/2009	27	Green Well Renewable Power Corp. - Common Shares	643,650.00	6,436,500.00
01/01/2008 to 12/31/2008	6	Greystone Long Bond Fund - Units	38,910,476.64	3,828,115.21
02/27/2009	181	Hawthorne Gold Corp. - Units	6,231,500.00	771,666.00
02/24/2009	2	Hi Ho Silver Resources Inc. - Units	100,000.00	1,000,000.00
03/12/2009 to 03/18/2009	14	IGW Real Estate Investment Trust - Trust Units	326,245.08	N/A
02/27/2009 to 03/18/2009	71	International Wayside Gold Mines Ltd. - Units	4,237,455.20	14,124,851.00
02/27/2009 to 03/04/2009	11	Kinbauri Gold Corp. - Units	1,443,870.45	3,208,601.00
02/28/2009	2	Kingwest Avenue Portfolio - Units	10,000.00	559.18
02/28/2009	2	Kingwest Avenue Portfolio - Units	10,000.00	559.18
03/11/2009	141	Lihir Gold Limited - Common Shares	424,978,001.00	171,666,667.00
03/19/2009	1	Linear Gold Corp - Units	5,000,000.50	4,545,455.00
03/16/2009	10	Mazorro Resources Inc. - Common Shares	105,000.00	2,100,000.00
02/27/2009	2	McElvaine Investment Trust - Trust Units	51,410.22	4,448.98
03/05/2009	1	MPH Ventures Corp. - Common Shares	85,000.00	500,000.00
03/16/2009	11	Nelson Financial Group Ltd. - Notes	367,000.00	N/A
03/10/2009 to 03/12/2009	2	New Solutions Financial (II) Corporation - Debentures	350,000.00	2.00
03/10/2009	2	Newport Canadian Equity Fund - Units	45,000.00	456.39
03/03/2009 to 03/10/2009	25	Newport Fixed Income Fund - Units	1,093,255.19	10,857.84
03/10/2009	2	Newport Global Equity Fund - Units	40,000.00	793.72
03/02/2009 to 03/10/2009	22	Newport Yield Fund - Units	3,137,305.00	32,594.78
03/04/2009	8	Nomura Holdings Inc. - Common Shares	3,745,556.55	699,000.00
02/20/2009 to 02/27/2009	11	Northcore Technologies Inc. - Debentures	1,320,000.00	N/A
03/20/2009	2	Northeast Utilities - Stock Option	8,969,535.75	N/A
03/09/2009	1	NWM Mining Corporation - Common Shares	100,000.00	2,000,000.00
03/18/2009	21	Oro Gold Resources Ltd. - Units	1,147,395.00	7,649,300.00
01/14/2009	16	Oxobioplast Inc. - Common Shares	600,792.68	N/A
01/01/2008 to 12/31/2008	4	Palos Ventures L.P. - Units	149,900.00	14,990.00

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
03/19/2009	1	Paramount Gold and Silver Corp. - Units	9,000,000.00	12,000,000.00
03/24/2009	3	Pfizer Inc. - Notes	6,168,263.75	N/A
03/04/2009	17	Queenston Mining Inc. - Flow-Through Shares	18,000,174.50	460,950.00
03/16/2009 to 03/19/2009	11	Range Royalty Limited Partnership - Limited Partnership Units	2,646,012.50	211,681.00
03/11/2009	106	Red Mile Resources Fund LP No. 6 - Limited Partnership Units	33,447,810.00	28,226.00
03/12/2009 to 03/17/2009	15	Redux Duncan City Centre Limited Partnership - Limited Partnership Units	775,000.00	775,000.00
03/20/2009	27	Rich Minerals Corporation - Common Shares	300,000.00	6,000,000.00
03/03/2009	22	Romarco Minerals Inc. - Units	27,398,000.00	N/A
03/05/2009	125	Rubicon Minerals Corporation - Common Shares	40,000,000.00	25,000,000.00
03/11/2009	11	Rye Patch Gold Corp. - Units	354,600.00	N/A
02/17/2009	2	Sable Resources Ltd. - Units	135,000.00	900,000.00
03/05/2009	7	Sea Green Capital Corp. - Common Shares	77,500.00	3,875,000.00
03/16/2009	5	SemBioSys Genetics Inc. - Common Shares	152,985.38	449,957.00
02/23/2009	15	Shopster E-Commerce Inc. - Debentures	500,000.00	N/A
03/13/2009	6	Spectrum San Diego Inc. - Common Shares	416,564.00	46,700.00
03/17/2009	22	The Balmoral Income Property Limited Partnership - Limited Partnership Units	875,000.00	35.00
03/04/2009	8	The British Land Company plc - Rights	0.00	N/A
03/11/2009	52	Ventana Gold Corp. - Units	3,360,000.00	6,000,000.00
02/28/2009	9	Vertex Managed Value Portfolio - Trust Units	656,025.50	N/A
03/13/2009	10	Victoria Gold Corp. - Receipts	3,056,250.00	N/A
03/13/2009	29	Victoria Gold Corp. - Units	7,124,400.00	N/A
03/10/2009	19	Walton AZ Silver Reef Investment Corporation - Common Shares	276,290.00	27,629.00
03/11/2009	11	Walton AZ Silver Reef Limited Partnership 2 - Limited Partnership Units	411,688.30	32,038.00
03/13/2009	10	Walton GA Arcade Meadows 1 Investment Corporation - Common Shares	398,400.00	39,840.00
03/13/2009	38	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	622,100.00	62,210.00
03/17/2009	9	Walton GA Arcade Meadows Limited Partnership 2 - Limited Partnership Units	1,377,951.07	108,483.00

Transaction Date	# of Purchasers	Issuer/Security	Total Purchase Price ($)	# of Securities Distributed
02/18/2009 to 02/24/2009	64	Walton Income 1 Investment Corporation - Common Shares	32,000.00	6,400.00
03/11/2009	32	Walton Income 1 Investment Corporation - Notes	509,500.00	N/A
02/18/2009 to 02/24/2009	64	Walton Income 1 Investment Corporation - Notes	2,455,500.00	N/A
03/10/2009	70	Walton TX Amble Way Investment Corporation - Common Shares	1,031,550.00	103,155.00
03/10/2009	12	Walton TX Amble Way Limited Partnership - Limited Partnership Units	1,670,181.12	128,872.00
03/13/2009	4	Windtronics LLC - Preferred Shares	868,000.00	14,000.00
02/24/2009 to 02/25/2009	4	Yukon-Nevada Gold Corp. - Units	1,540,000.00	27,333,333.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Baytex Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 27, 2009
NP 11-202 Receipt dated March 27, 2009
Offering Price and Description:
$100,050,000.00 - 6,900,000 Trust Units Price: $14.50 per Trust Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
FirstEnergy Capital Corp.
Raymond James Ltd.
Peters & Co. Limited
Tristone Capital Inc.
UBS Securities Canada Inc.
Cormark Securities Inc.
Dundee Securities Corporation
Promoter(s):
-
Project #1394443

Issuer Name:
Brookfield Homes Corporation
Type and Date:
Second Amended and Restated Preliminary MJDS Prospectus dated March 30, 2009
Receipted on March 31, 2009
Offering Price and Description:
Rights to Purchase up to 10,000,000 Shares of 8% Convertible Preferred Stock, Series A, at US$25.00 per Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1361017

Issuer Name:
Exemplar Diversified Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated March 24, 2009
NP 11-202 Receipt dated March 25, 2009
Offering Price and Description:
$ * Series A, F and I Shares - Price: Net Asset Value per Share Minimum Initial Purchase: $5,000
Underwriter(s) or Distributor(s):
-
Promoter(s):
Blumont Capital Corporation
Project #1390958

Issuer Name:
Midnight Oil Exploration Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 25, 2009
NP 11-202 Receipt dated March 25, 2009
Offering Price and Description:
$9,647,400.00 - 8,000,000 Common Shares 3,710,000 Flow-Through Shares Price: $0.77 per Common Share Price: $0.94 per Flow-Through Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
Dundee Securities Corporation
GMP Securities L.P.
Promoter(s):
-
Project #1391757

Issuer Name:
Quadra Mining Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated March 26, 2009
NP 11-202 Receipt dated March 26, 2009
Offering Price and Description:
Cdn$75,330,000.00 - 16,200,000 Common Shares
Underwriter(s) or Distributor(s):
Macquarie Capital Markets Canada Ltd.
Raymond James Ltd.
BMO Nesbitt Burns Inc.
GMP Securities L.P.
Paradigm Capital Inc.
Promoter(s):
-
Project #1392643

Issuer Name:
Canadian Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 27, 2009
NP 11-202 Receipt dated March 30, 2009
Offering Price and Description:
$100,005,150.00 - 4,950,750 Units Price: $20.20 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
Blackmont Capital Inc.
Promoter(s):
-
Project #1389579

Issuer Name:
Cen-ta Real Estate Ltd.
Gro-Net Financial Tax & Pension Planners Ltd.
Type and Date:
Final Long Form Prospectus dated March 27, 2009
Receipted on March 27, 2009
Offering Price and Description:
CONDOMINIUM INVESTMENT UNITS
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1375919/1375918

Issuer Name:
Educators Global Fund
Principal Regulator - Ontario
Type and Date:
Amendment No. 1 dated March 25, 2009 to the Amended and Restated Simplified Prospectus and Annual Information Form dated October 6, 2008, amending and restating the Simplified Prospectus and Annual Information Form dated June 27, 2008
NP 11-202 Receipt dated March 26, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
OTG Financial Inc.
Educators Financial Group Inc.
Promoter(s):
-
Project #1272503

Issuer Name:
Eurogas International Inc.
Principal Regulator - Ontario
Type and Date:
Final Long Form Non-Offering Prospectus dated March 24, 2009
NP 11-202 Receipt dated March 26, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Eurogas Corporation
Project #1346961

Issuer Name:
Manulife Brompton Advantaged Bond Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated March 30, 2009
NP 11-202 Receipt dated March 30, 2009
Offering Price and Description:
Maximum $100,000,000.00 Class A Units and Class F Units (Maximum 10,000,000 Class A Units and/or Class F Units)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Manulife Securities Incorporated
Canaccord Capital Corporation
Desjardins Securities Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Dundee Securities Corporation
Research Capital Corporation
Wellington West Capital Markets Inc.
M Partners Inc.
Richardson Partners Financial Limited
Promoter(s):
Brompton Funds Management Limited
Project #1376355

Issuer Name:
Manulife Financial Corporation
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated March 30, 2009
NP 11-202 Receipt dated March 31, 2009
Offering Price and Description:
$10,000,000,000.00
Debt Securities
Class A Shares
Class B Shares
Common Shares
Subscription Receipts
Warrants
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1374826

Issuer Name:
MBB Trust
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated March 30, 2009
NP 11-202 Receipt dated March 30, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Brompton Funds Management Limited
Project #1385363

Issuer Name:
Class AA Units, Class B Units, Class C Units, Class D Units, Class F Units and Class O Units
(unless otherwise noted)
McLean Budden Balanced Growth Fund
McLean Budden Balanced Value Fund
McLean Budden Canadian Equity Growth Fund
McLean Budden Canadian Equity Fund
McLean Budden Canadian Equity Value Fund
McLean Budden High Income Equity Fund
McLean Budden American Equity Fund
McLean Budden Global Equity Fund
McLean Budden International Equity Fund
McLean Budden Fixed Income Fund
McLean Budden Money Market Fund
McLean Budden LifePlan™ 2010 Fund (Offering Class VMD Units only) (formerly VMD – McLean Budden LifePlan™ 2010 Fund)
McLean Budden LifePlan™ 2020 Fund (Offering Class AA Units, Class F Units, Class O Units and Class VMD Units only) (formerly VMD – McLean Budden LifePlan™ 2020 Fund)
McLean Budden LifePlan™ 2030 Fund (Offering Class AA Units, Class F Units, Class O Units and Class VMD Units only) (formerly VMD – McLean Budden LifePlan™ 2030 Fund)
McLean Budden LifePlan™ Retirement Fund (Offering Class AA Units, Class F Units, Class O Units and Class VMD Units only) (formerly VMD – McLean Budden LifePlan™ Retirement Fund)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated March 27, 2009
NP 11-202 Receipt dated March 31, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
McLean Budden Limited
Project #1379708

Issuer Name:
Sarbit US Equity Trust
Principal Regulator - Manitoba
Type and Date:
Amendment #3 dated March 20, 2009 to the Simplified Prospectus and Annual Information Form dated September 12, 2008
NP 11-202 Receipt dated March 31, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Sarbit Asset Management Inc.
Project #1307725

Issuer Name:
Trident Performance Corp. II
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated March 30, 2009
NP 11-202 Receipt dated March 31, 2009
Offering Price and Description:
Class A Shares: Price per Share: $10.00
Maximum Offering: $100,000,000.00 (10,000,000 Shares);
Minimum Offering: $20,000,000.00 (2,000,000 Shares)
Minimum Subscription: $1,000 (100 Shares)
Underwriter(s) or Distributor(s):
TD Securities Inc.
Blackmont Capital Inc.
National Bank Financial Inc.
CIBC World Market Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
GMP Securities L.P.
Raymond James Ltd.
Richardson Partners Financial Limited
Promoter(s):
CI Investment Inc.
Project #1383935

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Dimensional Fund Advisors Canada Inc. To: Dimensional Fund Advisors ULC	Extra-Provincial Investment Counsel & Portfolio Manager and Limited Market Dealer.	February 9, 2009
Name Change	From: Sunrise Securities Canada Inc. To: Sunel Securities Inc.	Limited Market Dealer	March 23, 2009
New Registration	Stonecastle Investment Management Inc.	Investment Counsel and Portfolio Manager	March 25, 2009
New Registration	Comgest Asset Management International Limited	International Adviser (Investment Counsel & Portfolio Manager) and Limited market Dealer	March 27, 2009
Consent to Suspension (Rule 33-501 Surrender of Registration)	Stellation Asset Management LLC	Non-Canadian Adviser (Investment Counsel & Portfolio Manager) and Limited Market Dealer	March 29, 2009
New Registration	JCAP Inc.	Limited Market Dealer	March 30, 2009
Consent to Suspension (Rule 33-501 Surrender of Registration)	Pacific Growth Equities, LLC	International Dealer	March 31, 2009
Consent to Suspension (Rule 33-501 Surrender of Registration)	Henkedan Corp.	Investment Counsel and Portfolio Manager	March 31, 2009
New Registration	Westboro Management Ltd.	Limited Market Dealer	March 31, 2009

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Request for Comments – Amendments to Part VI of the TSX Company Manual

TORONTO STOCK EXCHANGE

REQUEST FOR COMMENTS

AMENDMENTS TO PART VI OF THE
TORONTO STOCK EXCHANGE ("TSX") COMPANY MANUAL
(THE "MANUAL")

TSX is publishing proposed changes to Part VI of the Manual relating to security holder approval requirements for acquisitions (the "Amendment"). The Amendment is being published for a 30-day comment period.

The Amendment will be effective upon approval by the Ontario Securities Commission (the "OSC") following public notice and comment. Comments should be in writing and delivered by May 4, 2009 to:

Michal Pomotov
Legal Counsel
Toronto Stock Exchange
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2
Fax: (416) 947-4461
Email: tsxrequestforcomments@tsx.com

A copy should also be provided to:

Susan Greenglass
Manager
Market Regulation
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
Email: marketregulation@osc.gov.on.ca

Comments will be publicly available unless confidentiality is requested.

Overview

On October 12, 2007, TSX published a Request for Comments (the "2007 RFC") on its security holder approval requirements for acquisitions. The 2007 RFC was prompted by the view expressed by certain market participants that issuers should not be exempted above some prescribed level of dilution from the requirement to obtain security holder approval for the issuance of securities as consideration for an acquisition where the target is a public company. In the 2007 RFC, TSX committed to determining whether to propose an amendment to its current security holder approval requirements for acquisitions, based on the comments it received.

Twenty-two (22) comment letters were submitted, each of which has been carefully reviewed and considered. A summary of the comments received in response to the 2007 RFC and TSX's responses is attached at Appendix A. The comments received generally reflect two widely divergent views without compromise or consensus. However, the comments were helpful in addressing the range and complexity of the issues under consideration. In formulating this proposed Amendment, TSX also commenced discussions with OSC staff in February 2008 regarding the 2007 RFC and the comments received in response to the 2007 RFC.

Currently, TSX requires security holder approval for the issuance of securities as full or partial consideration for an acquisition where such number of securities exceeds 25% of the issued and outstanding securities of the listed issuer (Subsection 611(c)[1]). However, this requirement does not apply where the listed issuer is acquiring a public company (a reporting issuer or issuer of equivalent status having 50 or more beneficial security holders, excluding insiders and employees) (Subsection 611(d)).

This exemption from security holder approval for acquisitions of public companies was formally incorporated in the Manual on January 1, 2005 in conjunction with a substantial number of other amendments to Parts V, VI and VII of the Manual. Prior to January 1, 2005, TSX practice for many years was to waive the requirement for security holder approval for acquisitions of public companies even where the securities to be issued in payment of the purchase price resulted in more than 25% dilution.

As neither securities nor corporate law in Canada requires security holder approval by the issuer for arm's length dilutive transactions, TSX has required security holder approval for certain dilutive acquisitions (other than acquisitions of public companies), private placements and security-based compensation arrangements, such as stock option plans.

This Request for Comment outlines the comments received, explains the rationale and objective of the Amendment and seeks further public comment. Following the comment period, TSX will review and consider the comments received and implement the Amendment, as proposed or as modified. Modifications of the Amendment may include an alternative dilution level to the proposed 50%. If such a modification is made it would not be considered material given the scope of this Request for Comments. Unless the Amendment is otherwise materially modified, TSX will not request further comments prior to implementing the Amendment as proposed or modified.

Summary of the Amendment

TSX is proposing to require security holder approval for the issuance of securities in payment of the purchase price for an acquisition of a public company which exceeds 50% of the number of issued and outstanding securities of the listed issuer which are outstanding on a non-diluted basis.

To implement the Amendment, TSX is proposing to delete Subsection 611(d) and amend Subsection 611(c) to include reference to security holder approval requirements applicable to all acquisitions.

Text of the Amendment

TSX is proposing to amend Subsection 611(c) as follows:

> Security holder approval will be required in those instances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds:
>
> (i) 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, for an acquisition other than an acquisition of a reporting issuer (or equivalent status) having 50 or more beneficial security holders, excluding insiders and employees, or
>
> (ii) 50% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, for an acquisition of a reporting issuer (or equivalent status) having 50 or more beneficial security holders, excluding insiders and employees.

A blackline of Section 611 showing the proposed amendments is attached at Appendix B.

Rationale and Discussion of the Amendment

In this section we discuss the rationale for (i) maintaining the exemption from security holder approval for acquisitions of public companies and requiring security holder approval for certain dilutive acquisitions; and (ii) determining that dilution is the appropriate factor on which to base security holder approval and setting the level of dilution which would trigger security holder approval.

Maintaining the Exemption and Requiring Security Holder Approval

TSX strives to balance the interests of issuers, security holders and other market participants in order to support a quality market for securities. Accordingly, TSX seeks to develop and apply rules that are consistent and transparent, within the scope of its jurisdiction.

[1] See Appendix A for the text of Section 611, together with the Amendment.

TSX believes that an exemption from security holder approval should be maintained for public company acquisitions. In addition to the comments received, TSX has considered the following to support its proposal of the Amendment: (i) acquisitions of public companies are significantly different than those of private companies; and (ii) even in light of increased globalization, we must take into account the unique nature of the Canadian marketplace.

I. Acquisitions of Public versus Private Companies

After careful consideration of the divergent comments received in response to the 2007 RFC, TSX believes that security holders should be provided with an opportunity to vote on acquisitions which may significantly alter their investment through dilution.

The Amendment will continue to differentiate between acquisitions of public and private companies (or assets). TSX believes that acquisitions of public companies are different than acquisitions of private companies in fundamental ways and therefore merit different approaches. Public company transactions are different given the availability of public information on the target. Accordingly, market participants are able to better assess the merits of a transaction. This is not the case when the target is a private company with no, or limited, information available to the public.

In addition, there is a degree of discipline imposed on the acquiror because materials produced for take-over bids and plans of arrangement must contain prospectus level disclosure on the resulting issuer. Public scrutiny of the available information will generally discipline management in structuring acquisitions.

When the target is publicly listed, the market value of the target is readily available. A premium may be offered to reflect potential synergies post acquisition or for other reasons. Analysts and investors often focus on the premium paid in order to assess the merits of a transaction. This also contributes to the discipline of management and the board when acquiring public companies.

Considering the interests of issuers, security holders and the markets, we believe that it is appropriate to maintain an exemption from security holder approval for public company acquisitions, albeit with a maximum dilution threshold.

TSX appreciates that directors are in a better position to make timely decisions regarding acquisitions, because they have access to information and professional advisors which are not generally available to security holders. TSX also recognizes that security holders may have divergent interests in a transaction and different time horizons for their investment. We also do not underestimate the significance of a director's fiduciary duty and the public scrutiny afforded to the acquisition of a public company. These factors further support maintaining the exemption from security holder approval for public company acquisitions. However, we also believe that security holders of the acquiror should have the opportunity to approve acquisitions which may significantly alter their investment and control rights through dilution. We do not believe that seeking security holder approval in such instances is inconsistent with the exercise of the directors' fiduciary duties.

As neither securities nor corporate law in Canada requires security holder approval of arm's length dilutive transactions, we believe that it is appropriate for TSX to limit a listed issuer's ability to significantly alter the investment made by security holders through dilutive acquisitions. Furthermore, we believe that it is appropriate for TSX to require security holder approval as outlined in the Amendment because other remedies available to security holders such as derivative actions, oppression remedies or proxy contests may not be viable alternatives for security holders that do not have significant economic resources or sufficient economic incentive to initiate such actions.

II. The Unique Nature of the Canadian Marketplace

As noted in the 2007 RFC, the majority of other exchanges canvassed (or corporate law in the jurisdiction in which each exchange is domiciled) require some form of security holder approval for dilutive acquisitions. Attached as Appendix C is the summary overview of other exchange requirements which was included as part of the 2007 RFC.

We are proposing the Amendment in part because of similar requirements of most other exchanges and the increasing globalization of investments. In proposing the Amendment, we have also taken into consideration the significant number of resource issuers listed on TSX. As at December 31, 2008, 474 resource issuers[2] were listed on TSX, representing 30% of all listed issuers on TSX.[3] As discussed in the 2007 RFC, these issuers tend to be more active in mergers and acquisitions ("M&A") and they generally offer securities as consideration rather than cash, to preserve cash for exploration and development. On a combined basis, in 2007 and 2008, 85% of public company acquisitions where securities were offered by TSX listed issuers were completed by resource issuers.[4]

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2 Resource issuers include issuers listed in the Mining and Oil & Gas sectors.
3 TMX Group analysis of internal data.
4 Ibid.

We have also taken into consideration the comparative size and maturity of issuers listed on TSX as compared to US and other exchanges. As at December 31, 2008, the median market cap of issuers listed on TSX was CDN$51 million,[5] compared to US$595 million on NYSE[6]. Generally, TSX is a listing venue for small to medium size enterprises which have a market capitalization of CDN$500 million or less. Although TSX believes that it must stay abreast of the requirements of other exchanges, it also recognizes that simply imposing requirements from other marketplaces may not necessarily lead to an appropriate regulatory regime for our market.

We recognize that requiring security holder approval for certain dilutive acquisitions will increase direct and indirect costs of acquisitions, which may dampen M&A activity. Direct costs may include additional consideration and higher break fees for the acquisition because of increased deal uncertainty associated with the security holder approval, as well as additional costs related to calling and holding the security holder meeting. The Amendment may also negatively affect a TSX listed issuer's ability to compete globally and domestically in acquiring other public companies where foreign acquirors are not subject to a security holder approval requirement. In a competitive takeover bid situation with a TSX listed issuer and foreign acquiror competing for strategic assets, the TSX listed acquiror may be subject to a security holder approval requirement, where the foreign acquiror is not for a number of reasons including the following: (i) the foreign acquiror is not a listed issuer; (ii) some foreign exchanges (or corporate law in the jurisdiction in which each exchange is domiciled) do not require security holder approval for such transactions; or (iii) the issuer may be more mature in terms of both size and ability to offer cash rather than securities. Ultimately, the requirement for security holder approval may result in TSX listed issuers losing the opportunity to acquire strategic assets, as the target company will prefer the offer that is less contingent.

Questions:

Please comment on the following questions:

1. Is it appropriate to maintain the exemption from security holder approval for the acquisition of public companies, provided the acquisition does not significantly alter the nature of the security holder's investment through dilution?

2. Will the Amendment dampen M&A activity? Will it make transactions more difficult to complete? How much of an impact will the Amendment have on deal certainty?

3. Do you think the Amendment will affect the competitiveness of issuers listed on TSX? If so, how?

Dilution

TSX believes that (i) there should be a bright line test requiring security holder approval for the acquisition of public companies based on dilution, and (ii) 50% dilution is the appropriate level at which to require security holder approval.

I. Dilution is the appropriate factor on which to base security holder approval

In the 2007 RFC, we asked whether factors other than dilution, such as the relative premium or enterprise value, should be taken into consideration in setting a bright line test for security holder approval of significant transactions. All commenters agreed that factors other than dilution should not be considered by TSX in determining whether security holder approval should be required. Commenters universally agreed that dilution was the only appropriate factor to consider when setting a bright line test for security holder approval.

While the Amendment proposes a requirement for security holder approval based on dilution, it is TSX's view that other factors, such as the premium paid by listed issuers for the target, may be more contentious than dilution alone. Therefore, we have concluded that regardless of the threshold dilution level at which security holder approval is required, there may be transactions below this level of dilution that will be objectionable because dilution alone does not address all of the relevant factors. However, we expect that there will be a relatively limited number of these objectionable transactions if the TSX sets a reasonable dilution level beyond which security holder approval is required.

The Amendment introduces a bright line dilution test which is consistent with our goal of developing and applying transparent and consistent rules. A bright line dilution test is also easy to understand and apply, which is positive for the market and its participants. Lastly, most of the other exchanges which require security holder approval for acquisitions of public (or private) companies use a dilution test.

We recognize that listed issuers may partially or wholly fund acquisitions with cash obtained by way of a debt or equity financing or from their working capital. TSX does not generally review arm's length cash acquisitions since they do not result in the issuance of equity securities from treasury or in a change in the capital structure of the issuer. Cash transactions which are

[5] Ibid.
[6] TMX Group analysis of NYSE data.

partially or wholly funded by way of a debt or equity financing are also likely to impose greater discipline on management than direct equity issuances for acquisitions without security holder approval. Accordingly, acquisitions where the consideration is solely paid in cash and no securities are issued or issuable will not be reviewed under Section 611, as is currently the case.

If the consideration for an acquisition is comprised of securities of the listed issuer and cash that has been raised by way of a private placement, such transaction would be subject to Subsection 611(g) of the Manual. Accordingly, the number of securities issuable under the private placement will be aggregated with the number of securities issued as part of the consideration for the acquisition in order to determine the dilution level and whether or not security holder approval would be required. Subsection 611(g) does not apply to equity financings by way of public offering and it is conceivable that acquisitions will be wholly funded by a public offering and therefore not require security holder approval. We recognize that the Amendment may affect the structuring of transactions which may create additional costs and transactional inefficiencies.

II. 50% dilution level

In the 2007 RFC, we asked at what dilution level security holder approval should be required for the acquisition of public companies. The responses were extremely divided, between preferring the status quo (no security holder approval requirements regardless of dilution) and setting security holder approval requirements at the same level of dilution as for the acquisition of private companies, being 25%.

As discussed above, requiring security holder approval based on a dilution level will not directly address all factors, such as the premium paid for a target company. We believe, however, that it is not appropriate for publicly traded issuers to have the ability to issue an unlimited number of securities for acquisitions without obtaining security holder approval. We believe that an acquisition of a company which may significantly alter a security holder's investment through dilution should be approved by security holders.

Under the Amendment, security holder approval would be required for public company acquisitions resulting in more than 50% dilution. TSX believes that it is appropriate to require security holder approval at that level of dilution because it is reasonable to consider that a security holder's investment may be significantly altered through dilution at that level. Specifically, where dilution will exceed 50%, the implied value of the target company is equivalent to at least half that of the listed issuer and, post-transaction, will represent at least one-third of the resulting issuer.

As discussed in the 2007 RFC, many of the other exchanges we reviewed have security holder approval requirements at different dilution levels. In particular, the US exchanges require security holder approval at a 20% dilution level. Notwithstanding our geographic proximity to the US and the number of issuers listed both on TSX and a US exchange, the Amendment takes into account the size and nature of TSX listed issuers. We believe it would be unduly burdensome and unnecessary to set a requirement based on US exchanges whose issuers are generally of a very different size and nature. Issuers listed on US exchanges generally have market capitalizations that are greater than those listed on TSX and stronger balance sheets, and therefore better access to cash or debt to finance acquisitions.

During 2007 and 2008, TSX listed issuers completed an aggregate of 106 acquisitions of public companies where the consideration was wholly or partially paid for in securities of the acquiror. Statistical information regarding these transactions by dilution level is at Appendix D.

Based on the historical 2007 and 2008 data, the Amendment would have required security holder approval in 24% of all public company acquisitions offering securities as all or part of the purchase price, with approximately a dozen transactions being subject to security holder approval each year. We believe that number is reasonable, and not unduly burdensome, but that more fundamentally, dilution levels exceeding the 50% level may represent a significant acquisition for an issuer which should be approved by security holders.

In setting the level of dilution, we have also considered the application of Section 603 of the Manual which provides TSX with the discretion to allow exemptions from security holder approval requirements or to impose additional conditions on a transaction, such as security holder approval, on a discretionary basis. The Amendment provides a bright line test for the security holder approval requirement for a public company acquisition. Accordingly, TSX expects that the Amendment will result in improved deal certainty for public company acquisitions resulting in dilution of less than 50%.

We expect that the application of Section 603 will be correlated with the dilution level which is implemented under an Amendment. For example, if a 100% dilution level is implemented under the Amendment, issuers could reasonably expect that TSX would be more likely to require security holder approval on a discretionary basis, having regard to other factors, as dilution approached the threshold level. Conversely, if a 25% dilution level is implemented under the Amendment, issuers could reasonably expect that TSX would be more likely to exempt a transaction from security holder approval on a discretionary basis, having regard to other factors, as dilution exceeds the threshold level. Therefore with a dilution level of 50%, the application of Section 603 should be more limited, providing consistency and transparency for market participants.

TSX notes that Sections 603 and 604 have general application to Part VI, including the security holder approval requirements in Section 611, and are not proposed to be amended at this time.

TSX is not proposing to amend Subsection 604(d) which permits security holder approval to be obtained in writing from holders of more than 50% of the voting securities of the listed issuer. Accordingly, if the Amendment is adopted as proposed, issuers may satisfy the requirement for security holder approval in writing in accordance with Subsection 604(d).

Questions:

Please comment on the following questions:

4. Do you think the Amendment strikes the appropriate balance between the interests of security holders, issuers and other market participants? Why or why not?

5. What are the principal costs and benefits of the approach proposed in the Amendment? Please explain your response with reference to the various stakeholders.

6. Do you expect that the Amendment will lead to transactions being structured to avoid security holder approval? If so, do you believe that this would be inappropriate and if so, why?

7. Is a level of dilution other than that set out the Amendment more appropriate e.g. 25%, 30%, 40%, 75%, 100%? If so, why?

8. If your response to question 7 is positive, please consider the costs and benefits of requiring security holder approval at such a dilution level. Please explain your response with reference to the various stakeholders.

9. Would the 50% dilution proposed in the Amendment provide a bright line test which would obviate the application of Section 603 with respect to public company acquisitions in all but extraordinary circumstances? If not, why not.

10. Is it appropriate to permit security holder approval of acquisitions in writing rather than at a meeting? If not, why?

Alternatives Considered

I. Alternative dilution levels

No basis for imposing a bright line test requiring security holder approval was considered other than dilution.

Various dilution levels were considered, including 100%. Specifically, we considered whether it was more appropriate to require security holder approval on the basis of the acquisition of a public company which had an implied value which was greater than the acquiror. We carefully considered the decision of the OSC, *In the Matter of HudBay Minerals Inc. and In the Matter of a decision of the Toronto Stock Exchange* dated January 23, 2009 (the "HudBay decision"), which took note of the dilution which exceeded 100% and described it as "extreme". We found the rationale for security holder approval at 100% supportable. However having considered rules of other exchanges, market participant expectations and uncertainties around the application of Section 603 as a result of the HudBay decision, we concluded that a 50% dilution level was more appropriate.

A 25% dilution level was also considered. As shown in Appendix D, 43% of public company acquisitions completed in 2007 and 2008 exceeded 25% dilution. At that dilution level, in TSX's view, there is insufficient evidence of corresponding benefit to justify the increased costs, delays and uncertainty which may be incurred by requiring security holder approval at that level. Introducing such a requirement may unnecessarily dampen M&A activity and unduly limit competitiveness and growth opportunities for listed issuers. At this level, dilution is not extreme, and there is not a significant alteration in the investment through dilution. TSX also similarly finds undue costs at dilution thresholds less than 50% given the considerable number of transactions that would be affected at such levels.

A number of commenters submitted that a dilution based test for security holder approval of public company acquisitions would have a disproportionate negative effect on smaller and resource-based issuers and therefore there should be an exemption for issuers with smaller market capitalizations. However, TSX believes that security holder approval requirements should be imposed equally on all issuers listed on TSX. As the senior equities market in Canada, there is an expectation that all issuers listed on TSX should meet the same standards. Therefore, TSX does not support an exemption for listed issuers based on market capitalization.

II. Advance security holder approval

One other alternative which was considered was to permit security holders to vote on a blanket resolution at an issuer's annual meeting in advance of a specific transaction that could be completed by the listed issuer. Such a resolution would allow the issuer to complete a dilutive public company acquisition without any further security holder approval being required. The intent is to provide flexibility for smaller issuers and for those issuers whose business involves regularly making acquisitions. The presumption is that if security holders have confidence in management and the board, they will vote in favour of such a proposal and no further approvals will be necessary if such an acquisition is made before the next annual meeting.

TSX is not proposing such an alternative. TSX experience has been that the flexibility intended by such advance blanket approvals creates more difficulty than benefit because of the uncertainty of application. For example, there are typically questions about whether the resolution passed by the security holders covers an actual transaction, opening up the resolution to interpretation. This uncertainty is detrimental to issuers and security holders and does not serve the public interest.

In addition, TSX rules moved away from permitting blanket approvals by security holders because they do not meet the purpose and intent of the approval requirement.[7] Security holders should have detailed information about a specific transaction at the time of the vote. In addition, security holders at the time of the vote may be different than those at the time of the transaction. We recognize that such a blanket approval could reduce deal uncertainty and associated costs and delays of having to seek security holder approval at the time of a transaction, particularly for smaller issuers or issuers whose business strategy involves acquisitions, while at the same time permitting a greater level of security holder involvement than may be required in a particular transaction. However, TSX believes that the negative aspects and uncertainty outweigh any positive benefits of such a blanket approval mechanism.

Questions:

Please comment on the following questions:

11. Should security holders have the flexibility to vote on the security holder approval requirements for dilutive acquisitions on an annual basis? Why or why not?

12. What costs and benefits are there in providing such flexibility? Do you agree that the costs outweigh the benefits?

Future Initiatives

If the Amendment is adopted as proposed or modified, TSX will monitor and review the acquisitions of public companies for a two-year period following adoption. Following the two-year period, TSX will consider whether to retain the Amendment or republish the matter for further proposed changes based on the experience to such date. In this regard, TSX will maintain statistics on dilution levels in public company acquisitions by issuers, acquirors seeking security holder approval (whether required or voluntary) and anecdotal evidence of the impact of the security holder approval requirement on the marketplace.

TSX may review Section 603 *Discretion* in the future, after having had the opportunity to review the OSC's full reasons for the HudBay decision. Such a review may impact the exercise of discretion in relation to Part VI of the Manual, including security holder approval requirements for acquisitions.

Public Interest

TSX is publishing the Amendment for a 30-day comment period, which expires May 4, 2009. The Amendments will only become effective following public notice and the approval of the OSC.

[7] In January of 2005, TSX eliminated the ability of listed issuers to obtain blanket security holder approval for private placements on an annual basis. Subsection 604(c) was added at that time and provides that security holder approval of a transaction must relate specifically to the transaction in question, rather than an unspecified transaction that may take place in the future.

APPENDIX A
SUMMARY OF COMMENTS
SECURITYHOLDER APPROVAL REQUIREMENTS FOR ACQUISITIONS

List of Commenters:

Amalgamated General Partner Ltd. (AGP)	Ontario Teachers' Pension Plan (OTPP)
BC Investment Management Corporation (bcIMC)	Osler, Hoskin & Harcourt LLP (Osler)
Canadian Coalition for Good Governance (CCGG), representing 49 institutional investors	Paramount Energy Trust (PET)
CPP Investment Board (CPPIB)	Pension Investment Association of Canada (PIAC)
Duvernay Oil Corp. (Duvernay)	Saxon Energy Services Inc. (Saxon Energy)
Investment Industry Association of Canada (IIAC)	Securities Group, Burnet Duckworth Palmer LLP (BDP)
Jeff Whyte (J. Whyte)	Sun Life Financial Inc. (Sun Life)
Lang Michener LLP (Lang)	TELUS (TELUS)
McCarthy Tetrault (McCarthy)	Thallion Pharmaceuticals Inc. (Thallion)
Nexen Inc. (Nexen)	Tristone Capital Inc. (Tristone)
Ogilvy Renault LLP (Ogilvy)	Triton Energy Corp. (Triton)

Summarized Comments Received	*TSX Response*
Question 1: Should securityholder approval be required for the issue of securities as full or partial consideration for the acquisition of a public company in a transaction negotiated at arm's length where insiders receive 10% or less of the securities issued? Why?	
General: 5 of the 22 comment letters received supported a requirement for securityholder approval, while 17 of the 22 comment letters opposed such a securityholder requirement.	
Of those in support of a requirement for securityholder approval for the issuance of securities as full or partial consideration for the acquisition of a public company, reasons provided include ensuring fairness, accountability and input into the corporation's strategy to build shareholder trust and commitment (bcIMC); to protect investors and maintain investor confidence through a system of checks and balances (CCGG); and because the issuance of a large percentage of shares is likely to have a significant effect on the operations, financial position and value of the issuer, securityholders should have the right to participate in decisions that may involve such fundamental changes and affect their investment. (OTPP, CPPIB, PIAC)	TSX agrees that securityholders should have the right to approve decisions that may significantly alter their investment through dilution.
Some commenters in support of securityholder approval disagreed with the rationale for the current exception for acquisitions of public companies, regarding the wide distribution of securities of public companies and the prospectus level disclosure publicly available, citing that the "economic effect on the existing shareholders is the same whether securities are widely distributed or not" and "the availability of prospectus level disclosure is also irrelevant…because, while shareholders may be able to use this information to assess the economic impact on the issuer, it would only be after the fact." (OTPP) "The fact that	TSX believes that the wide distribution of securities and the availability of information when the target is a public company are differentiating factors from an acquisition of a private company where there generally is no detailed public disclosure. The requirement to produce a prospectus level disclosure document for the target company increases public scrutiny and therefore imposes greater discipline on management and boards in structuring acquisitions.

Summarized Comments Received	*TSX Response*
prospectus level disclosure regarding a potential acquisition is available should not eliminate the rights of securityholders to determine whether they wish to be diluted…" (CPPIB, PIAC) Four commenters in favour of securityholder approval noted that the prevalence among Canadian issuers to have unlimited authorized share capital creates the potential for unlimited dilution, and is a differentiating factor from other stock exchanges. (OTPP, CPPIB, CCGG, PIAC) All of the commenters in favour of securityholder approval noted the existence of similar requirements of other stock exchanges, as set out in the Request for Comments, and supported bringing TSX in line with them for consistency and to instill investor confidence.	TSX agrees that unlimited dilution without securityholder approval is outside of market and securityholder expectations. Therefore, TSX is proposing that securityholder approval be required where dilution exceeds 50%. At that level, the implied value of the target company is equivalent to at least half that of the listed issuer and, post-transaction, will represent at least one-third of the resulting issuer. TSX believes that such transactions may significantly alter the nature of the securityholders' investment through dilution. We note that corporate law requirements in other jurisdictions also impact stock exchange requirements. Dilution levels at which securityholder approval is required by other exchanges cannot therefore be viewed in isolation. Further, TSX believes that each jurisdiction must balance the interests of issuers, securityholders and other market participants within the existing framework provided by corporate and securities laws. While TSX agrees that it must stay abreast of requirements on other exchanges, it also recognizes that adopting the same requirements as other exchanges may not necessarily strike the proper balance of interests for its marketplace. The dilution level at which securityholder approval is required varies from one jurisdiction to the next. In particular, the differences in the size and nature of issuers listed on NYSE and NASDAQ compared to TSX should not be overlooked.
A number of commenters against requiring securityholder approval stated that the issuance of securities is a matter of corporate law, to be determined by the directors of the corporation. (McCarthy, BDP, Ogilvy, Thallion, Triton, TELUS, Osler, AGP, Lang, Tristone, IIAC, Saxon Energy, Sun Life, Nexen) Directors not only have the responsibility under the law, but possess the information and ability to best assess a transaction in accordance with corporate strategy and available alternatives. (BDP, TELUS, McCarthy, Ogilvy, Thallion, Triton, Osler, AGP, Lang, Tristone, IIAC, Saxon Energy, Sun Life, Nexen) Many commenters stated that such a requirement would have a severe negative impact on the market for acquisitions. (PET, BDP, Ogilvy, Saxon Energy, Lang, Sun Life) Many also submitted there will be a disproportionate negative impact on smaller issuers and resource-based issuers. (Saxon Energy, BDP, IIAC, Duvernay, Osler, J. Whyte, Lang, Tristone, Nexen) However, it was noted that the detrimental effects would not be limited to small or resource-based issuers, as even mature issuers may be small compared to international competitors. (Sun Life) It was repeatedly noted that the reduction in deal certainty and the disadvantage in competitive bidding would negatively affect both acquirors and targets. (BDP, IIAC, J. Whyte, Lang, Tristone, Ogilvy, Sun Life, Nexen) A number also noted the detrimental effect it would have on market efficiency by impairing the bidding process through the effect on the price paid, the level of cash and debt used, and break fees. (IIAC, Ogilvy, BDP, Osler, J. Whyte, Nexen)	While the issue of securities may principally be a corporate law matter, TSX disagrees that this means it should not require securityholder approval when warranted. This argument would otherwise suggest that TSX should never require securityholder approval under its rules. We believe that companies listed on TSX must meet higher standards than private, unlisted issuers. This belief is well anchored in many TSX rules which require securityholder approval for transactions, such as private placements and acquisitions of private companies. TSX believes that, in appropriate circumstances, the directors and management must impart information on a transaction so that securityholders can understand and consider such transaction. TSX agrees that a securityholder approval requirement at a relatively low level of dilution may disproportionately affect smaller issuers. Resource issuers have frequently relied on the exemption in Subsection 611(d) of the Manual. On a combined basis, in 2007 and 2008, 85% of public company acquisitions where securities were offered by TSX-listed issuers were completed by resource issuers. These issuers tend to be more active in merger and acquisition (M&A) activity, and they generally offer securities as consideration rather than cash, to preserve cash for exploration and development.

Summarized Comments Received	*TSX Response*
One commenter noted that the current regulatory regime has been priced into the value of shares of listed issuers and that the regulatory regime in Canada is generally very "shareholder friendly". (Osler) Remaining globally competitive was also cited as a rationale for leaving the existing regime as is, to permit competition with foreign and private competitors who do not face the shareholder approval requirement, and to foster growth through acquisitions and competitiveness. (Osler, Lang, Sun Life)	TSX acknowledges and supports the importance of maintaining a proper balance between a flexible framework for issuers and the interests of securityholders. TSX agrees that Canada's regulatory regime is generally friendly to securityholders, which should not be disregarded in a comparison of jurisdictions.
It was argued that issuers may choose to stay private, or go private, or list elsewhere to avoid the approval requirement, therefore decreasing the efficiency of Canada's capital markets. (BDP, Saxon Energy) A number of commenters noted the negative impact such a requirement will have on the competitiveness of TSX-listed issuers, who have little if any competitive advantages in the marketplace. (Osler, IIAC, PET, BDP, J. Whyte, Lang, AGP, Ogilvy, Sun Life) One described that it would eliminate one of the unique advantages of TSX and would create a serious impediment to the growth of the issuers it serves. (AGP) Another noted that it could be "materially detrimental…to adopt rules that are similar to those that apply in certain markets that are not comparable to Canada but in which …Canadian firms seek to compete." (Sun Life)	TSX agrees that if securityholder approval is required at a relatively low dilution level that M&A activity could be negatively impacted without generating corresponding benefits to securityholders or the marketplace. TSX also recognizes that the make-up of its issuers is different than that of other stock exchanges. TSX is therefore proposing to focus the rule on transactions where the nature of a securityholder's investment may be significantly altered through dilution.
A number of commenters opposed to adding the requirement for securityholder approval compared the issuance of shares in a public company acquisition to shares issued in a public financing, for which shareholders would have no approval rights. The issuance of securities on an acquisition is akin to securities issued in a prospectus offering given the availability of public prospectus level disclosure. (Saxon Energy) It was further noted that this differentiation could create artificial processes whereby securities are issued in a public financing, the proceeds of which are used to make a cash bid, thereby avoiding securityholder approval requirements. (Osler, J. Whyte, Lang)	TSX believes that there are relevant differences between a prospectus offering and an acquisition of a public company. In a prospectus offering, there is prospectus level disclosure, the securities are available for public purchase and the consideration received (cash) is transparent and easily valued. Even if the prospectus offering is dilutive, it is not considered within the exchange's jurisdiction to impose securityholder approval when there is public disclosure, underwriter or agent involvement and no insider concerns. TSX has never reviewed the use of proceeds in a public offering. TSX recognizes that transactions may potentially be structured to avoid securityholder approval, which may lead to increased costs and inefficiencies.
Many comment letters expressed the opinion that there is no apparent abuse or problem evident in the market with the current exemption, and that the benefits of securityholder approval are not apparent, yet changing the requirement would impose a number of negative consequences that aren't offset by any demonstrated positive outcome such as increased shareholder returns or protection or decreased corporate abuse. (IIAC, J. Whyte, Lang, Ogilvy, Tristone, Sun Life, Nexen) "The requirement of a vote imposes a cost for which there must be a benefit". (Sun Life) "Notions of 'good corporate governance' should not be confused with increased deference to disparate shareholder interests." (Nexen) Other comment letters explored the sufficiency of avenues open to shareholders today, such as the oppression remedy and derivative actions, fiduciary duties of directors and by-laws that may contain provisions for securityholder proposals. (Lang, J. Whyte)	TSX notes that securityholder approval acts as a check on management and boards in structuring acquisitions. TSX also notes that there are already checks and balances in place given the information available on the target company (including the information circular), as well as the rights and remedies available to securityholders under corporate and securities laws. Therefore, on balance, TSX finds that requiring securityholder approval in cases where dilution exceeds 50% should provide an appropriate balance in most, if not all, circumstances.

Summarized Comments Received	*TSX Response*
Question 2: If you responded affirmatively to Question 1, please comment on whether approval should be required only if the issue exceeds a certain dilution level and, if so, what constitutes an appropriate dilution level. Should Subsection 611(d) (which provides for the securityholder approval exemption) simply be eliminated? Is a level of dilution other than that set out in Subsection 611(c) (which provides that securityholder approval is required where the number of securities issued in payment of the purchase price for an acquisition exceeds 25% of the number of outstanding securities of the issuer) more appropriate e.g. 35% or 50%? If so, why?	
Three commenters supported that securityholder approval be required if dilution exceeds 25%, through the elimination of Subsection 611(d). (OTPP, CPPIB, PIAC)	TSX believes that the appropriate balance between flexibility for issuers and securityholder interests is struck where securityholder approval is required for transactions resulting in dilution of more than 50%. At 25% dilution, many acquisitions will require securityholder approval, leading to increased costs, delays and uncertainty, which may also have a dampening effect on M&A activity and also limit competitiveness and growth opportunities for issuers, without evidence or support of corresponding benefits for issuers, securityholders or the marketplace.
Two commenters took the view that transactions where dilution exceeds 20% should be subject to securityholder approval. (bcIMC, CCGG) It was noted that 20% is consistent with the requirements of U.S. exchanges. (CCGG) One of these commenters also noted, however, that 25%, in line with Subsection 611(c) of the Manual in respect of private placements, would be acceptable. (CCGG)	
Sixteen commenters rejected securityholder approval at any dilution level. Two of these commenters noted that if it is determined to amend the Manual to require securityholder approval for public company acquisitions, a much higher threshold would be appropriate to the Canadian marketplace, such as 100%. (Ogilvy, Triton) Another commenter suggested that if securityholder approval is required, it should only be required in extraordinary circumstances such as where the dilution is accompanied by a fundamental change in the acquiror's business. (BDP) Another suggested that at a dilution level of 100%, there is a shift in ownership and therefore securityholder approval could be appropriate. (AGP) A higher threshold would provide greater flexibility to acquirors in structuring their transactions. (McCarthy)	TSX agrees that a higher threshold is more appropriate to the Canadian marketplace. The size and nature of issuers listed on TSX have to be taken into account. Therefore, it would be inappropriate to copy rules from other jurisdictions. TSX agrees that 100% dilution may have some logical underpinning, but nonetheless proposes that the lower level of 50% dilution still provides sufficient flexibility and is of such an impact on the acquiror to warrant securityholder approval.
Question 3: Should factors other than voting dilution, such as the relative premium to a target company's stock price or enterprise value, be taken into consideration in determining if securityholder approval is required? If so, what are the appropriate factors and why?	
All commenters supporting securityholder approval cited voting dilution as the appropriate determining factor. Shareholders will take other factors into consideration as they see fit. All commenters who responded to this question noted that considering other factors was problematic given difficulties in assessing the value of a transaction and the impact of external market influences. It was also submitted that factors such as premium should not be regulated. (TELUS, Osler) It was further noted that no other exchange appears to use such other factors. (Osler)	TSX agrees that other factors, such as premium paid for a target, are subject to a number of influences and are therefore difficult to measure. Dilution level provides a bright-line test that can be simply understood and applied. This is supported by the fact that other exchanges also use dilution as the relevant factor.

Summarized Comments Received	*TSX Response*
Question 4: Does imposing securityholder approval requirements discourage acquisitions?	
Three commenters did not think that imposing securityholder requirements would discourage acquisitions. (CPPIB, CCGG, PIAC) Securityholder approval requirements on other exchanges do not appear to have discouraged acquisitions on those exchanges, even by smaller technology-based companies. (CPPIB, CCGG, PIAC) It will not be an obstacle to worthy transactions, but will discourage those where shareholders cannot be convinced to support it, which is a positive outcome. (OTPP) Many commenters believe that a requirement for securityholder approval will discourage acquisitions. (IIAC, PET, Saxon Energy, BDP, McCarthy, Ogilvy, Duvernay, TELUS, Lang, Tristone, Osler, J. Whyte) The uncertainty will prevent some bids from being made in the first place.	There is no substantive evidence to support whether securityholder approval requirements will discourage acquisitions. The nature of issuers listed on TSX compared to issuers listed on other markets is relevant and merits consideration. TSX issuers are generally significantly smaller and have less access to capital. On balance, TSX believes that securityholder approval requirements will have a dampening effect on M&A activity. Therefore, the level of dilution at which securityholder approval must be set at an appropriate level to ensure a balance of interests appropriate for our marketplace.
Many proposed that such a requirement will unduly impact the structure of acquisitions in order to avoid the requirement for securityholder approval, with a disproportionate negative effect on smaller and resource-based issuers. A number of these commenters noted that cash bids would be favoured, thereby favouring acquirors who have or can access cash more easily, and financing of bids through debt would also be favoured, yet is not necessarily a positive outcome for shareholders. One commenter noted that acquisitions may not be discouraged, but companies with larger market capitalization will be unfairly advantaged. (Triton)	See the response in Question 1.
Question 5: Does the requirement for securityholder approval of the acquiror make transactions more difficult to complete, particularly where a premium is being paid for the securities of the target?	
Four commenters did not believe that a requirement for securityholder approval for the acquiror will make transactions significantly more difficult to complete. It was noted that the approval requirement may affect tactics used in an acquisition, but will preserve investor confidence and build shareholder trust. (CCGG) Two commenters stated that while there may be additional marginal costs in holding a meeting for such securityholder approval, they support a company incurring these on their behalf. (CPPIB, PIAC) Two commenters noted that the 35-day deposit period currently required under take-over bid legislation permits time for a securityholder meeting to be held by an acquiror without causing any delay in the bid process. (CCGG, OTPP) However, other commenters disagreed, believing it is not feasible for an acquiror to obtain its own securityholder approval in that time frame. (TELUS, Saxon Energy) It was also noted that the requirement for approval on other stock exchanges does not seem to have significantly affected the level of acquisitions. (OTPP)	There is no substantive evidence to support whether securityholder approval requirements will make transactions more difficult to complete. However, such requirements will make at least some transactions more difficult to complete as it reduces deal certainty and will lead to additional direct and indirect costs.
The remainder of commenters that addressed this question agreed that acquisitions would be more difficult to complete. The introduction of uncertainty into the already complex acquisition process was often cited as a factor making transactions more difficult to complete, and overall less likely to even be undertaken. (Lang, TELUS, McCarthy,	TSX finds that, on balance, transactions where securityholder approval is required may be more difficult to complete, as it introduces an additional element of uncertainty.

Summarized Comments Received	*TSX Response*
BDP, PET, Saxon Energy, Sun Life, Osler, Nexen) Public companies, particularly smaller ones, will be discouraged from launching take-over bids because of the extra cost of meetings, higher premiums and break fees payable, as well as additional time delays. (AGP, Thallion, BDP, PET, Saxon Energy, Sun Life, Nexen) The added costs are ultimately borne by securityholders of the acquiror, but targets may bear some of the cost because of fewer bidders. (BDP, PET) It was further cited that the added burden of a meeting does not provide securityholders with a commensurate benefit. (IIAC, J. Whyte, Lang, Ogilvy, Tristone, Sun Life)	
In addition, the preparation of materials for the shareholders' meeting at the same time as a take-over bid is launched is difficult. In particular, it is then difficult to change the terms of the bid. (Osler, Saxon Energy) TSX-listed issuers would be unfairly disadvantaged compared to other issuers not subject to securityholder approval whether because of where they are listed, or because they are privately held, or because they are larger and therefore do not trigger the threshold for approval. (TELUS, Osler, IIAC, PET, BDP, J. Whyte, Lang, AGP, Ogilvy, Sun Life) One commenter noted that a focus on premiums is inappropriate and should not be a material factor in seeking shareholder approval, believing that take-over premiums are well established concepts relating to control premiums and merger synergies. (Tristone)	
Question 6: Is this an appropriate issue for securityholder approval or should the decision to make an arm's length acquisition using securities be left to the business judgement of the board of directors of the acquiror?	
Five commenters submitted that it is an appropriate issue for securityholder approval. It was set forth that a lack of such requirement decreases investor confidence in companies listed on TSX and may cause investors to invest elsewhere. (CPPIB, PIAC) One commenter submitted that it is a fundamental tenet of corporate governance that major decisions should be made by shareholders. (OTPP) This same commenter went on to submit that to suggest otherwise would limit shareholders to the election of directors and approval of related party transactions. Another commenter coming to a different conclusion stated that securityholder rights are primarily exercised through their choice of directors. (TELUS)	TSX agrees that in certain circumstances, acquisitions and other dilutive transactions are appropriate matters for securityholder approval. For transactions where there is a lack of public disclosure and transparency, such as private placements, or where there is insider participation, securityholder approval is generally required. TSX also agrees that securityholders should have the right to participate in decisions that may significantly alter their investment through dilution. See also the response in Question 1.
The prevalence among Canadian issuers to have unlimited authorized share capital was again noted, as making the case stronger for securityholder approval requirements for significant transactions involving the issuance of equity. (CCGG)	
Those opposed to a securityholder approval requirement each cited that in an arm's length transaction, the board of directors of an acquiror should apply its business judgement. Corporate law charges directors with these duties, and their judgement should not easily be superseded. Directors have a fiduciary duty to the corporation that shareholders do not, may possess better	See the response in Question 1.

Summarized Comments Received	*TSX Response*
information that is publicly available, and are in the best position to assess an acquisition. (BDP, TELUS, McCarthy, Ogilvy, Thallion, Triton, Osler, AGP, Lang, Tristone, IIAC, Saxon Energy, Sun Life, Nexen) Directors were elected to manage and operate their corporation and to maximize shareholder value, and their duties should not be eroded. (Saxon Energy) This was noted of particular value in the technical arena of the oil and gas sector. (Duvernay) It was also noted that there are other significant decisions for which securityholders have no rights of approval, and that corporate law has drawn these lines. (BDP, PET, McCarthy, Osler, Lang) Shareholders do not have a reasonable expectation of voting rights in these situations. (Lang, Osler) Shareholder rights are also sufficiently protected under the law, by director's liability and by other remedies available to shareholders. (TELUS, Osler, IIAC, J. Whyte, Lang) Although the Request for Comments points out that there may be economic resource issues for securityholders to invoke such rights, institutional investors can and do invoke both these formal and other informal mechanisms and do impact issuer's behaviour. (BDP)	
Question 7: What are the possible unintended consequences of requiring securityholder approval of an acquiror in a share exchange bid? Will this favour cash bids over share exchange bids? Will this result in acquirors increasing their leverage to make cash bids so as to avoid the need for securityholder approval or the need to provide disclosure about the acquiror's strategy that could benefit its competitors?	
A majority of commenters cited a possible increased reliance on cash and debt to finance acquisitions. (CCGG, OTPP, J. Whyte, Lang, Tristone, Osler, TELUS, Triton, Ogilvy, McCarthy, Saxon Energy, BDP, PET) It was also expressed that acquirors would be likely to structure their bids with more leverage to avoid securityholder approval requirements. (Saxon Energy, Triton, McCarthy, Ogilvy, Tristone, Nexen) However, it was noted by some commenters that the discipline imposed by the market limits leverage. (OTPP, Sun Life, Duvernay) Increased deal uncertainty was also noted by many commenters, and that the uncertainty might lead to higher bids and break fees, and lost opportunities altogether. (CCGG, Lang, Tristone, TELUS, Sun Life, IIAC, Saxon Energy, BDP, PET, Nexen) A number noted that there would also be unintended consequences in competitive bid situations, possibly favouring privately held bidders and foreign bidders who do not face similar approval requirements. (TELUS, Duvernay, Sun Life, BDP, PET) Commenters were divided on the issue of whether disclosure about the acquiror's strategy was a significant deterrent to share exchange bids since there is disclosure in the target circular anyway. (CCGG, CPPIB, PIAC) However, other commenters did feel it could be a deterrent to share exchange bids. (Saxon Energy, Triton, McCarthy)	TSX agrees with the majority of commenters that securityholder approval requirements will be a consideration in structuring a transaction. However, TSX believes that requiring securityholder approval for certain dilutive acquisitions will balance such potential negative impact with other relevant interests. See also the response in Question 1.

Summarized Comments Received	*TSX Response*
Question 8: If securityholder approval is required, is approval by a majority vote of the securityholders the right threshold?	
Commenters in support of securityholder approval agreed that a simple majority vote is the appropriate threshold. One commenter did note that the threshold for most fundamental corporate changes is two-thirds of votes cast, but that a simple majority would be satisfactory. (OTPP)	TSX accepts the view of the majority of commenters that a simple majority vote is appropriate.
Other commenters opposed to a requirement for securityholder approval did submit that if it is nonetheless required, a simple majority vote is the appropriate threshold. (BDP, McCarthy, Ogilvy, Triton, Duvernay, TELUS) It was also suggested that securityholder approval in writing be permitted. (BDP) One commenter suggested that a requirement for securityholder approval should be initiated by a change of corporate law. (McCarthy)	TSX agrees with the submission that securityholder approval in writing be permitted since there is publicly available information in the circular provided to target shareholders and the target issuer has a public disclosure record.
Question 9: Should issuers with a smaller market capitalization be exempted from the new proposal?	
A number of commenters responded that if there is a requirement for securityholder approval, it should apply equally to all issuers without any exemptions. (OTPP, CPPIB, bcIMC, CCGG, McCarthy, PIAC) One noted that the rules should be the same for all issuers on the same exchange so that business decisions are made on the basis of economics rather than because of shareholder approval rules, but overall this commenter opposes any security approval requirement. (Duvernay)	TSX will not propose a rule that is based on the size of the issuer, as it believes that securityholder approval requirements should be imposed equally on all issuers listed on TSX.
Other commenters opposed to a securityholder approval requirement submitted that if it is nonetheless required, there should be an exemption for issuers with smaller market capitalization to permit them to compete with larger issuers in a bidding process. (BDP, Ogilvy, Triton)	TSX understands that a securityholder approval requirement at a relatively low level of dilution may disproportionately affect smaller issuers. However, as the senior equities market in Canada, there is an expectation that all issuers listed on TSX should meet higher standards. Therefore, TSX does not support an exemption for companies based on market capitalization.
General:	
Each commenter in support of a securityholder approval requirement also supported a requirement for securityholder approval of all share issuances that are dilutive including in connection with acquisitions of public companies. This same factor was cited by a number of commenters who are not in support of securityholder approval as a reason to leave the regime as is, since it is long established that public offerings do not require securityholder approval. One commenter suggested that if securityholder approval of acquisitions of public companies is required, by extension, securityholder approval should also be required for cash offers which are dilutive to enterprise value and earnings, and that would place offerors on a more level playing field. (AGP) One commenter stated that if TSX were to pursue a requirement for securityholder approval at a low level of dilution such as 20%, it should also look at requiring securityholder approval in all situations where dilution is more than 20%, including in prospectus offerings. (AGP)	TSX seeks to apply rules that are consistent and transparent, within the confines of its jurisdiction. TSX does not have jurisdiction over all activities of listed issuers, such as the use of cash, even if economically dilutive. Historically, TSX has generally limited securityholder approval matters to transactions involving the issuance of securities and/or the involvement of insiders. At this time, TSX does not intend to change this approach and will not review transactions solely funded with cash.

Summarized Comments Received	*TSX Response*
With respect to considering the discount to market price in a public offering, it was submitted that the discount did not take into account underwriter or agent commissions, or any warrants or securities issued as consideration, such that the actual discount is more than the 5-10% stated in the Request for Comments. In an acquisition, these costs would not be incurred. Therefore, a comparison of premiums and discounts in private placements and public offerings is not appropriate. (BDP)	
Other Stock Exchanges: Commenters took varying views as to the unique nature of the Canadian marketplace and how the rules should tie in to that.	
It was submitted that TSX rules should be designed to serve TSX issuers, who tend to be smaller and more growth oriented than those on U.S. exchanges and that each stock exchange must determine what is appropriate for a majority of its issuers. (AGP) There must be a balance between effective and efficient governance and a regulatory regime that fosters international competitiveness and facilitates cross border transactions. (Sun Life) The current regulatory regime in Canada was stated to be "uniquely and acutely sensitive to the protection on shareholders", protecting minority shareholders in related party transactions and non-arm's length transactions. (Osler) One commenter did not agree that the rules of the U.S. exchanges represent the best standard, nor the most relevant standard, for Canadian issuers. (Nexen)	TSX agrees that its rules must be designed for its issuers and be appropriate for the nature of its marketplace.
Those in favour of securityholder approval generally preferred the view that the TSX rules must be the same as those on other exchanges in order to maintain investor confidence. (OTPP, bcIMC, CPPIB, PIAC) However, another commenter submitted it is unreasonable to think that U.S. investors expect the TSX requirements to be the same as the U.S. requirements. U.S. exchanges defer to the principal stock exchange of interlisted issuers, knowing TSX does not have this securityholder requirement. (BDP)	TSX notes that the majority of other exchanges (or the corporate law in the jurisdiction in which each exchange is domiciled) require some form of securityholder approval for dilutive acquisitions and on balance agrees that TSX rules should be reflective of international standards. However, TSX finds the appropriate balance and flexibility for its marketplace and participants are struck where dilution is in excess of 50%. TSX agrees that copying standards of other exchanges may not be appropriate, and finds support in the fact that other exchanges will defer to TSX if it is the principal or home exchange of an issuer.
One commenter noted that by average market capitalization, NASDAQ is the most similar exchange to TSX and has a requirement for approval of dilutive transactions at 20%. (OTPP) It was also suggested that TSX should compare itself to other senior stock exchanges, not to junior exchanges, since it is the senior stock exchange in Canada. (OTPP)	
A number of commenters noted that since TSX requires securityholder approval based on dilution in the case of private placements and for security-based compensation	TSX agrees that there is value in securityholder approval in certain circumstances, particularly where dilution is coupled with a conflict of interest such as insider participation, or a

Summarized Comments Received	*TSX Response*
plans, TSX recognizes the value of securityholder approval for dilutive share issuances. (OTPP, CPPIB, PIAC) TSX has rules concerning the issuance of shares in a private placement at a discount to market price, yet no pricing or value restriction for acquisitions of a public company. Since existing shareholders do not necessarily get to participate in either the private placement or public acquisition scenario, it was suggested that the same rules should apply. (OTPP) Two commenters in support of securityholder approval noted the NYSE, when it introduced its shareholder approval rule, considered it "closing a loophole", and that the OSC has expressed support for listing standards that exceed corporate law standards. (OTPP, CCGG)	lack of public disclosure or participation, such as in private placements and private company acquisitions. However, TSX does not have jurisdiction over all dealings of an issuer nor is it intended that TSX be used as a tool to replace corporate and securities legislation. For example, matters such as how a company spends its cash are not generally considered within the purview of TSX.

APPENDIX B

PROPOSED SECTION 611 OF THE TORONTO STOCK EXCHANGE COMPANY MANUAL

Sec. 611. Acquisitions.

(a) Where a listed issuer proposes to issue securities as full or partial consideration for property (which may include securities or assets) purchased from an insider of the listed issuer, TSX may require that documentation such as an independent valuation or engineer's report be provided.

(b) Security holder approval will be required in those instances where the number of securities issued or issuable to insiders as a group in payment of the purchase price for an acquisition exceeds 10% of the number of securities of the listed issuer which are outstanding on a non-diluted basis, prior to the date of closing of the transaction. Insiders receiving securities pursuant to the transaction are not eligible to vote their securities in respect of such approval.

(c) ~~Subject to Subsection 611(d), s~~Security holder approval will be required in those instances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds:

(i) 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, for an acquisition other than an acquisition of a reporting issuer (or equivalent status) having 50 or more beneficial security holders, excluding insiders and employees, or

(ii) 50% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, for an acquisition of a reporting issuer (or equivalent status) having 50 or more beneficial security holders, excluding insiders and employees.

(d) ~~Subject to Sections 603 and 604 and to Subsection 611(b), TSX will not require security holder approval where a reporting issuer (or equivalent status) having 50 or more beneficial security holders, excluding insiders and employees, is acquired by the listed issuer.~~ [Deleted.]

(e) Where an acquisition by a listed issuer includes the assumption of security based compensation arrangements of a target issuer, securities issuable under such arrangements will be included in the securities issued or issuable for the purposes of the security holder approval requirement in Subsection 611(c). For the purpose of this Section 611, the assumption of security based compensation arrangements includes a direct assumption of a security based compensation arrangement as well as the cancellation of security based compensation arrangements in the target issuer and their replacement with arrangements in the listed issuer.

(f) Where an acquisition by a listed issuer includes the assumption of security based compensation arrangements of a target issuer, securities issuable under such arrangements are not subject to Subsection 613(a) if the number of assumed securities (and their exercise or subscription price, if applicable) is adjusted in accordance with the price per acquired security payable by the listed issuer.

(g) In calculating the number of securities issued or issuable in payment of the purchase price for an acquisition, any securities issued or issuable upon a concurrent private placement upon which the acquisition is contingent or otherwise linked will be included.

APPENDIX C

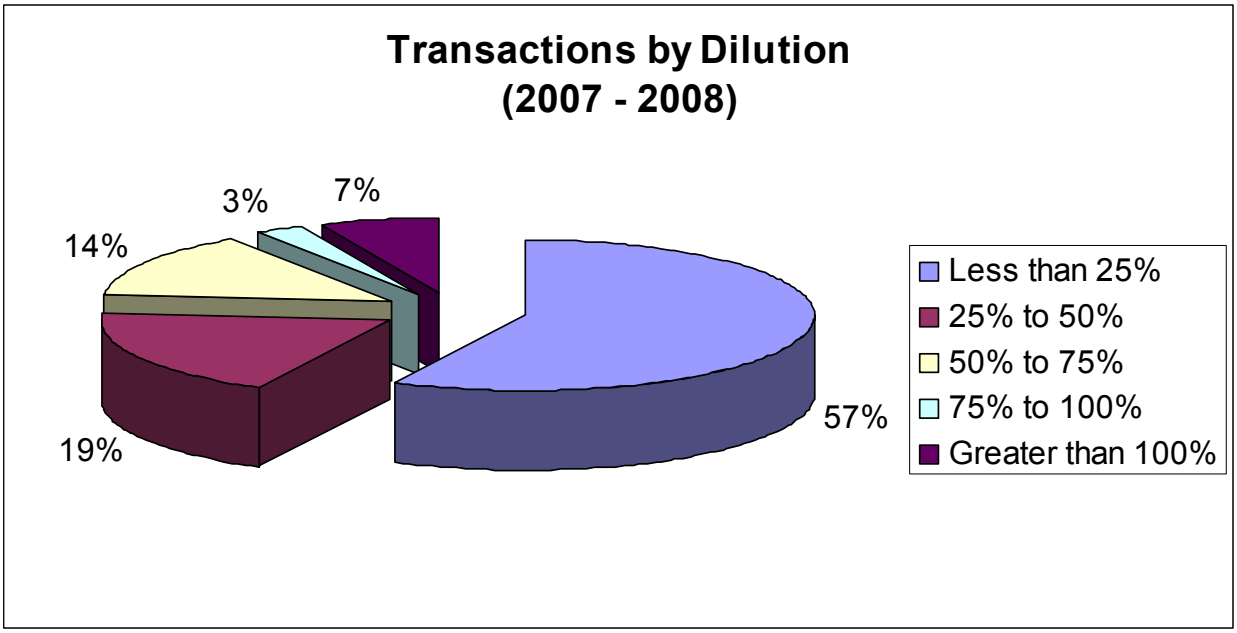
SUMMARY OVERVIEW OF OTHER EXCHANGE REQUIREMENTS

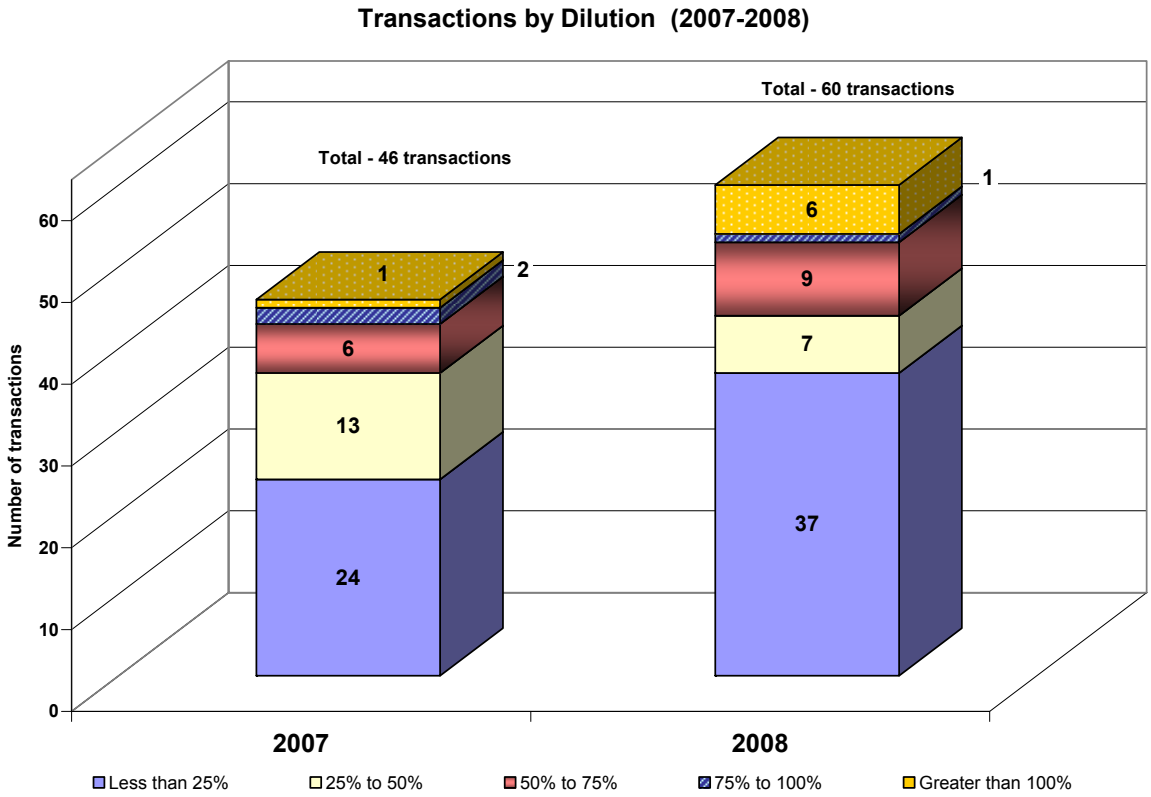
Exchange	Requirement
AIM	No requirement for security holder approval for arm's length acquisitions, other than in connection with reverse takeovers. However, corporate laws that apply to the issuer must be followed, many of which in European countries require security holder approval for significant dilution.
AMEX (Now NYSE Alternext)	Security holder approval is required for the issuance or potential issuance of common stock that could result in an increase in outstanding common shares of 20% or more.
ASX	Provides an exemption from security holder approval equivalent to TSX relief. Security holder approval is required for acquisitions resulting in more than 15% dilution, but there is an exemption for schemes of arrangement (similar to Canadian plans of arrangement) and off market bids (similar to Canadian takeover bids) which are completed in accordance with the Australian Corporations Act.
EuroNext / OM	No exchange requirement for security holder approval for dilutive acquisitions provided there is compliance with corporate requirements. European corporate law generally requires shareholder approval for dilution above a certain level if the shares are not offered to existing shareholders. For example, under French corporate law, shareholder approval is required for dilution of more than 10% where the shares are not issued first to existing shareholders.
JSE	Security holder approval is required for a transaction exceeding 30% dilution (measuring market cap, equity dilution and cash consideration).
LSE	Security holder approval is required for a transaction exceeding 25% dilution.
NASDAQ	Security holder approval is required for the issuance of stock where the issuance will have upon issuance voting power equal to or in excess of 20% of the voting power outstanding before the issuance.
NYSE	Security holder approval is required for the issuance of stock where the issuance will have upon issuance voting power equal to or in excess of 20% of the voting power outstanding before the issuance.
HKSE	Security holder approval is required for a transaction exceeding 50% dilution (measuring assets, profits, revenue, consideration or nominal value).
TSX	Security holder approval is required for acquisitions resulting in more than 25% dilution, but there is an exemption for the acquisition of public companies.
TSX Venture	No requirement for security holder approval for arm's length acquisitions, other than in connection with a change of control, reverse takeover or change of business.

APPENDIX D

Cumulative Transactions by Dilution

% Dilution Level Exceeded	Number of Acquisitions	% of Total Acquisitions
0	106	100
25	45	43
30	38	36
40	28	26
50	25	24
75	10	9
100	7	7




Transactions by Dilution (2007-2008)
Total - 46 transactions
Total - 60 transactions
Number of transactions
0
10
20
30
40
50
60
24
13
6
1
2
37
7
9
6
1
2007
2008
Less than 25%
25% to 50%
50% to 75%
75% to 100%
Greater than 100%

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Chapter 25

Other Information

25.1 Consents

25.1.1 Poplar Point Energy Inc. – s. 4(b) of the Regulation

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Business Corporations Act (Alberta).

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.

Regulations Cited

Regulation made under the Business Corporations Act, O. Reg. 289/00, as am., s. 4(b).

IN THE MATTER OF
THE REGULATIONS MADE UNDER
THE BUSINESS CORPORATIONS ACT
R.S.O. 1990, c. B.16, AS AMENDED
(the OBCA)
AND ONT. REG. 289/00, AS AMENDED
(the Regulation)

AND

IN THE MATTER OF
POPLAR POINT ENERGY INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of Poplar Point Energy Inc. (the Filer) to the Ontario Securities Commission (the Commission) requesting the consent of the Commission to continue into another jurisdiction (the Continuance) pursuant to subsection 4(b) of the Regulation;

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

AND UPON the Filer having represented to the Commission that:

1. The Filer was incorporated under the provisions of the OBCA on April 18, 1997 under the name Poplar Point Explorations Inc. On October 7, 1998 the Filer's Articles were amended to remove the restrictions on share transfers, remove the limitation on the number of shareholders of the Filer, and to remove the restriction prohibiting the Filer from making any invitation to the public to subscribe for securities in the capital of the Filer. On June 16, 2000, the Filer further amended its articles by subdividing its issued and outstanding common shares on the basis of 15.8883 common shares for each common share held. The Filer then filed articles of amendment on June 7, 2006 to change its name from Poplar Point Explorations Inc. to its current name of Poplar Point Energy Inc.

2. The Filer's registered office is located at 95 – 1200 Wellington Street West, Toronto Dominion Centre, Toronto, Ontario M5J 2Z9 and its head office is Suite 200 Fording Place, 205 - 9th Ave SE, Calgary, Alberta T2G 0R3. Following completion of the Proposed Continuance (as defined in paragraph 11, below), the registered office of the Filer will be located at Suite 1250, 639 – 5th Ave. SW, Calgary, Alberta T2P 0M9.

3. The Filer 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* (Alberta), R.S.A 2000, c. B-9 (the ABCA).

4. 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.

5. The Filer is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act* (Ontario) R.S.O. 1990, c.S.5, as amended (the Act).

6. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operations*.

8. The Filer will remain a reporting issuer in Ontario. The Filer is not a reporting issuer in any other jurisdiction in Canada.

9. The Filer is not in default under any provision of the Act or the regulations or rules made under the Act.

10. The Filer is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the Act.

11. On June 7, 2006, the Filer completed a business combination with Teracin Energy Ltd. (Teracin), a private oil and gas exploration company based in

the province of Alberta, whereby the Filer issued 28,000,000 common shares in exchange for all of the issued and outstanding shares of Teracin. Prior to the business combination, the Filer had no active business. All of the management and directors of the Filer were, following the business combination, replaced with the officers and directors of Teracin.

11. All of the officers and employees of the Filer are now located in Alberta along with its solicitors, accountants, head office and transfer agents. All of the assets of the Filer are also located in Alberta. The Filer has no assets or business in Ontario.

12. The annual and special meeting (the Meeting) of the holders of common shares of the Filer (the Shareholders) called to, among other things, consider the proposed continuance of the Filer from the OBCA to the ABCA (the Proposed Continuance) was held November 26, 2008.

13. The management information circular describing the Proposed Continuance (the Information Circular), dated October 27, 2008, was mailed to the shareholders of record as at the close of business on October 27, 2008 and was filed on the System for Electronic Document Analysis and Retrieval on November 5, 2008.

14. Full disclosure of the reasons for and implications of the Proposed Continuance was included in the Information Circular.

15. The OBCA provides that the resolution of the Shareholders concerning the Continuance requires the approval of not less than two-thirds of the aggregate votes cast by the Shareholders present in person or by proxy at the Meeting. Each Shareholder is entitled to one vote for each Common Share held. The special resolution authorizing the Continuance was approved at the Meeting by 100% of the votes cast by the Shareholders.

16. The Shareholders had the right to dissent with respect to the Proposed Continuance under Section 185 of the OBCA, and the Information Circular disclosed full particulars of this right in accordance with applicable law. No Shareholders elected to dissent.

17. The material rights, duties and obligations of a corporation governed by the ABCA 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 Filer as a corporation under the ABCA.

DATED March 27th, 2009.

”David L. Knight”

“Margot C. Howard”

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