The Ontario Securities Commission

OSC Bulletin

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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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Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

DECEMBER 23, 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
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David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

January 7, 2010 10:00 a.m.	**Paul Iannicca** s. 127 H. Craig in attendance for Staff Panel: DLK
January 7, 2010 10:00 a.m.	**Nest Acquisitions and Mergers and Caroline Frayssignes** s. 127(1) and 127(8) C. Price in attendance for Staff Panel: CSP
January 7, 2010 10:00 a.m.	**IMG International Inc., Investors Marketing Group International Inc., and Michael Smith** s. 127 C. Price in attendance for Staff Panel: CSP
January 8, 2010 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: JEAT
January 11-18, January 20-29, 2010 10:00 a.m. January 19, 2010 2:00 p.m.	**Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** s. 127 M. Britton/J.Feasby in attendance for Staff Panel: JDC/KJK

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: DLK
January 11, 2010 11:00 a.m.	**Peter Robinson and Platinum International Investments Inc.** s. 127 M. Boswell in attendance for Staff Panel: DLK
January 12, 2010 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
January 12, 2010 10:30 a.m.	**Abel Da Silva** s. 127 M. Boswell in attendance for Staff Panel: DLK
January 14, 2010 10:00 a.m.	**Coventree Inc., Geoffrey Cornish and Dean Tai** s. 127 J. Waechter in attendance for Staff Panel: JEAT
January 15, 2010 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, Angela Curry and Prosporex Forex SPV Trust** s. 127 H. Daley in attendance for Staff Panel: CSP
January 18, 2010; January 20-29, 2010 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: DLK/MCH
January 19, 2010 2:30 p.m.	**Borealis International Inc., Synergy Group (2000) Inc., Integrated Business Concepts Inc., Canavista Corporate Services Inc., Canavista Financial Center Inc., Shane Smith, Andrew Lloyd, Paul Lloyd, Vince Villanti, Larry Haliday, Jean Breau, Joy Statham, David Prentice, Len Zielke, John Stephan, Ray Murphy, Alexander Poole, Derek Grigor and Earl Switenky** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: PJL/PLK
January 20 – February 1, 2010; February 3-12, 2010 10:00 a.m. February 2, 2010 2:30 p.m.	

January 20, 2010 9:00 a.m.	**IBK Capital Corp. and William F. White** s. 127 M. Vaillancourt in attendance for Staff Panel: DLK
January 25-26, 2010 10:00 a.m.	**Lehman Cohort Global Group Inc., Anton Schnedl, Richard Unzer, Alexander Grundmann and Henry Hehlsinger** s. 127 H. Craig in attendance for Staff Panel: JEAT/CSP/SA
February 1, February 3-12, February 17-26, 2010 10:00 a.m.	**Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints 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 and 127.1 H. Craig in attendance for Staff Panel: TBA
February 2, 2010 2:30 p.m.	**Paladin Capital Markets Inc., John David Culp and Claudio Fernando Maya** s. 127 C. Price in attendance for Staff Panel: DLK
February 3, 2010 10:00 a.m.	**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: DLK
February 5, 2010 10:00 a.m.	**Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, John C. McArthur, Daryl Renneberg and Danny De Melo** s. 127 A. Clark in attendance for Staff Panel: TBA
February 8-12, 2010 10:00 a.m.	**Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance** s. 127 J. Feasby in attendance for Staff Panel: TBA
February 17 – March 1, 2010 10:00 .m.	**M P Global Financial Ltd., and Joe Feng Deng** s. 127(1) M. Britton in attendance for Staff Panel: DLK/MCH
February 17, 2010 10:00 a.m.	**Maple Leaf Investment Fund Corp. and Joe Henry Chau** s. 127 J. Superina in attendance for Staff Panel: TBA
February 25, 2010 10:00 a.m.	**Tulsiani Investments Inc. and Sunil Tulsiani** s. 127 J. Superina in attendance for Staff Panel: JEAT

March 1-8, 2010 10:00 a.m.	**Teodosio Vincent Pangia** s. 127 J. Feasby in attendance for Staff Panel: TBA
March 3, 2010 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
March 10, 2010 10:00 a.m.	**Global Energy Group, Ltd. And New Gold Limited Partnerships** s. 127 H. Craig in attendance for Staff Panel: TBA
March 25-26, 2010 10:00 a.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
March 29, 2010 – April 9, 2010 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 and 127(1) C. Price in attendance for Staff Panel: JEAT/PLK
April 13, 2010 2:30 p.m.	**Axcess Automation LLC, Axcess Fund Management, LLC, Axcess Fund, L.P., Gordon Alan Driver and David Rutledge, Steven M. Taylor and International Communication Strategies** s. 127 M. Adams in attendance for Staff Panel: TBA
May 3-28, 2010 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
May 31 – June 4, 2010 10:00 a.m.	**Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie** s. 127(1) and (5) J. Feasby in attendance for Staff Panel: TBA
June 29, 2010 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: 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 **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: TBA

TBA **Gregory Galanis**

s. 127

P. Foy 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: TBA

TBA **Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling**

s. 127(1) and 127.1

J. Superina, A. Clark in attendance for Staff

Panel: TBA

TBA **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

TBA **FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun**

s. 127

C. Price in attendance for Staff

Panel: TBA

TBA **Berkshire Capital Limited, GP Berkshire Capital Limited, Panama Opportunity Fund and Ernest Anderson**

s. 127

E. Cole in attendance for Staff

Panel: TBA

TBA **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

TBA **Barry Landen**

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

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

J. Feasby in attendance for Staff

Panel: TBA

TBA

Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

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

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

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

Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

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

1.1.2 Notice of Ministerial Approval of National Instrument 23-102 Use of Client Brokerage Commissions

NOTICE OF MINISTERIAL APPROVAL OF NATIONAL INSTRUMENT 23-102
USE OF CLIENT BROKERAGE COMMISSIONS

On November 27, 2009, the Minister of Finance approved National Instrument 23-102 *Use of Client Brokerage Commissions* (the Rule) made by the Ontario Securities Commission (the Commission or OSC) on September 29, 2009.

On September 29, 2009, the Commission adopted the related Companion Policy 23-102CP (Companion Policy), and approved the rescission of OSC Policy 1.9 *Use by Dealers of Brokerage Commissions as Payment for Goods and Services other than Order Execution Services – ("Soft Dollar" Deals)* (OSC Policy 1.9).

The Rule, Companion Policy and rescission of OSC Policy all become effective on June 30, 2010. Each was previously published in the OSC Bulletin on October 9, 2009.

The Rule and Companion Policy are being published in Chapter 5 of this Bulletin.

December 23, 2009

1.1.3 Notice of Commission Approval – Amendments to MFDA Policy 3 – Complaint Handling, Supervisory Investigations and Internal Discipline

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

AMENDMENTS TO POLICY 3
REGARDING COMPLAINT HANDLING, SUPERVISORY INVESTIGATIONS AND INTERNAL DISCIPLINE

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission has approved amendments to MFDA Policy 3 regarding complaint handling, supervisory investigations and internal discipline. In addition, the Alberta Securities Commission, the Manitoba Securities Commission, New Brunswick Securities Commission, Nova Scotia Securities Commission, and Saskatchewan Financial Services Commission approved, and the British Columbia Securities Commission did not object to the MFDA's proposal. The amendments provide minimum standards for members' obligations in handling client complaints and in subsequent supervisory investigations in order to ensure fair and prompt handling of such complaints. The proposal also harmonizes the MFDA's complaint handling requirements with those of the Investment Industry Regulatory Organization of Canada and the CSA.

The MFDA's proposal was published for comment on March 13, 2009 at (2009) 32 OSCB 2423. The MFDA summarized the comments it received on the proposal and provided responses. A summary of the comments and MFDA responses, a blacklined copy of the amendments showing the changes to the version published in March 2009 and a clean version were published at (2009) 32 OSCB 10738.

1.1.4 Notice of Commission Approval – IIROC Amendments to Dealer Member Rules 19, 37 and 2500 Relating to Client Complaint Handling

INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA (IIROC)

AMENDMENTS TO IIROC DEALER MEMBER RULES 19, 37 AND 2500 RELATING TO CLIENT COMPLAINT HANDLING

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved the enactment of a new IIROC Dealer Member Rule and amendments to Dealer Member Rules 19, 37, and 2500. In addition, the British Columbia Securities Commission did not object to, and the Alberta Securities Commission, the Autorité des marchés financiers, the Saskatchewan Financial Services Commission, the Financial Services Regulation Division of the Department of Government Services of Newfoundland and Labrador, the Nova Scotia Securities Commission and the New Brunswick Securities Commission approved the proposed amendments. The objective of the proposed amendments is to establish minimum requirements for the client complaint handling process. The proposal also harmonizes IIROC's complaint handling requirements with those of the Mutual Fund Dealers Association of Canada and the CSA.

The proposed amendments were published for comment on February 13, 2009, at (2009) 32 OSCB 1572. IIROC summarized the comments it received on the proposed amendments and provided responses. A summary of the comments and IIROC's responses, a blacklined copy of the proposed amendments showing the changes to the version published in February 2009 and a clean version were published at (2009) 32 OSCB 10768.

1.2 Notices of Hearing

1.2.1 Canadian Imperial Bank of Commerce and CIBC World Markets Inc. – 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
CANADIAN IMPERIAL BANK OF COMMERCE
AND CIBC WORLD MARKETS INC.

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the Commission offices, 20 Queen Street West, 17th Floor, in Hearing Room A, Toronto, Ontario, commencing on the 21st day of December, 2009 at 1:00 p.m. or as soon thereafter as the hearing can be held;

TO CONSIDER whether it is in the public interest to approve the settlement agreement entered into between Staff of the Commission ("Staff"), Canadian Imperial Bank of Commerce and CIBC World Markets Inc.;

BY REASON OF the allegation set out in the Statement of Allegations dated December 18, 2009;

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

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

DATED at Toronto this 18th day of December, 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
CANADIAN IMPERIAL BANK OF COMMERCE
AND CIBC WORLD MARKETS INC.

STATEMENT OF ALLEGATIONS

Staff of the Ontario Securities Commission ("Staff") allege that:

1. Between July 25 and August 3, 2007, Canadian Imperial Bank of Commerce and CIBC World Markets Inc. engaged in conduct contrary to the public interest by failing to adequately respond to emerging issues in the third-party asset-backed commercial paper ("ABCP") market insofar as they continued to sell third-party ABCP without engaging compliance and other appropriate processes for the assessment of such emerging issues.

December 18, 2009

1.2.2 HSBC Bank Canada – s. 127, 127.1

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

AND

IN THE MATTER OF
HSBC BANK CANADA

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the Commission offices, 20 Queen Street West, 17th Floor, in Hearing Room A, Toronto, Ontario, commencing on the 21st day of December, 2009 at 2:30 p.m. or as soon thereafter as the hearing can be held;

TO CONSIDER whether it is in the public interest to approve the settlement agreement entered into between Staff of the Commission ("Staff") and HSBC Bank Canada;

BY REASON OF the allegation set out in the Statement of Allegations dated December 18, 2009;

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

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

DATED at Toronto this 18th day of December, 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
HSBC BANK CANADA

STATEMENT OF ALLEGATIONS

Staff of the Ontario Securities Commission ("Staff") allege that:

1. Between July 25 and August 13, 2007, HSBC Bank Canada engaged in conduct contrary to the public interest by failing to adequately respond to emerging issues in the third-party asset-backed commercial paper ("ABCP") market insofar as it continued to sell third-party ABCP without engaging compliance and other appropriate processes for the assessment of such emerging issues.

December 18, 2009

1.2.3 Peter Robinson and Platinum International Investments Inc. – ss. 37, 127, 127.1

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

AND

IN THE MATTER OF
PETER ROBINSON AND
PLATINUM INTERNATIONAL INVESTMENTS INC.

NOTICE OF HEARING
(Sections 37, 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Monday, January 11th, 2010 at 11 a.m., or as soon thereafter as the hearing can be held, to consider:

(i) whether, in the opinion of the Commission, it is in the public interest, pursuant to s. 127(5) of the Act to issue a temporary order that:

  (a) the respondents, Platinum International Investments Inc. ("Platinum") and Peter Robinson ("Robinson") (collectively the "Respondents") shall cease trading in any securities;

(ii) whether, in the opinion of the Commission, it is in the public interest, pursuant to ss. 127 and 127.1 of the Act to order that:

  (a) trading in any securities by the Respondents cease permanently or for such period as is specified by the Commission;

  (b) the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;

  (c) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;

  (d) the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that respondent with Ontario securities law;

  (e) the Respondents be reprimanded;

  (f) Robinson resign one or more positions that they hold as a director or officer of any issuer;

  (g) Robinson be prohibited from becoming or acting as a director or officer of any issuer;

  (h) the Respondents pay an administrative penalty of not more than $1 million for each failure by that respondent to comply with Ontario securities law;

  (i) the Respondents be ordered to pay the costs of the Commission investigation and the hearing;

  (j) such other orders as the Commission may deem appropriate;

(iii) whether, in the opinion of the Commission, an order should be made pursuant to section 37 of the Act that Robinson cease permanently to telephone from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities; and

(iv) whether to make such further orders as the Commission considers appropriate.

BY REASON OF the allegations as set out in the Statement of Allegations dated December 17, 2009 and such further additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel at the hearing;

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

DATED at Toronto this 18th day of December, 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
PETER ROBINSON AND
PLATINUM INTERNATIONAL INVESTMENTS INC.

STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

I. THE RESPONDENTS

1. Platinum International Investments Inc. ("Platinum") is an Ontario corporation that was incorporated on June 12, 2007 with a registered address of 4325 Steeles Avenue West, Suite 215, Toronto, Ontario.

2. Peter Robinson ("Robinson") is listed as the sole Director of Platinum.

II. BACKGROUND

- **Trading in Securities by Platinum and Robinson**

3. Staff allege that Platinum and Robinson (collectively the "Respondents") traded in securities between and including July 1, 2009 and December 17, 2009 (the "Material Time").

4. Throughout the Material Time, the Respondents were not registered in any capacity with the Ontario Securities Commission (the "Commission").

5. During the Material Time, Robinson was prohibited from trading in securities by the Commission as a result of a temporary cease trade order originally made against Robinson, among others, on February 20, 2009 (the "Temporary Order"). The Temporary Order was extended on March 6, 2009 and July 10, 2009 and was in effect during the Material Time.

6. Residents of the United Kingdom (the "U.K. Residents") received unsolicited phone calls from representatives of Platinum and were told that Platinum could sell securities held by the U.K. Residents on behalf of the U.K. Residents.

7. The representatives of Platinum told the U.K. Residents that they would be able to obtain significant amounts of money for the U.K. Residents when Platinum arranged for the sale of the securities in question.

8. The U.K. Residents were then told that they would have to pay "performance bonds" and "non-resident taxes" to Platinum before Platinum could complete the sale of the securities.

9. The U.K. Residents were given instructions to send their funds for the "performance bonds" and the "non-resident taxes" to a bank account held in the name of Platinum and located in Toronto at the Royal Bank of Canada (the "Platinum RBC Account").

10. The U.K. Residents sent their "performance bond" and "non-resident tax" funds via wire transfer to the Platinum RBC Account.

11. The U.K. Residents were subsequently approached and advised they would have to pay further fees so that the transactions could proceed. When the U.K. Residents refused to send further funds to the Platinum RBC Account they stopped receiving communications from representatives of Platinum.

12. None of the transactions for which the U.K. Residents wired funds to the Platinum RBC Accounts have been completed. At least one of the U.K. Residents has been unable to contact Platinum since the Material Time.

13. During the Material Time, Robinson made numerous cash withdrawals from the Platinum RBC Account.

14. The Respondents participated in acts, solicitations, conduct, or negotiations directly or indirectly in furtherance of the sale or disposition of securities for valuable consideration, in circumstances where there were no exemptions available to the Respondents under the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

- **Fraudulent Conduct**

15. During the Material Time, the Respondents and other employees, representatives or agents of Platinum provided information to the U.K. Residents that was false, inaccurate and misleading, including, but not limited to, the following:

(a) that Platinum could sell securities held by the U.K. Residents for significant premiums over the current market value of the securities;

(b) that Platinum had received funds from the purported purchasers of the securities held by the U.K. Residents and that these funds were being held under "escrow conditions";

(c) that within seven business days of the U.K. Residents providing a "performance bond" they would receive all of the funds for the sale of the securities of their securities;

(d) that certain U.K. Residents were offered a five percent discount on a "non-resident tax" because the U.K. Residents were over sixty-five years old; and

(e) one of the U.K. Residents was provided with an address that did not correspond with Platinum's registered address and was, in fact, a United Parcel Service store;

(f) telephone numbers provided to the U.K. Residents were registered as cellular phones from addresses in the State of Florida, United States.

16. The false, inaccurate and misleading representations were made with the purported intention of effecting trades in the securities belonging to the U.K. Residents.

17. Once funds were wire transferred from the U.K. Residents to the Platinum RBC Account the funds were almost immediately withdrawn as cash or cheques, which were primarily payable to Robinson, his other companies, or David O'Brien Professional Legal Corp.

18. The Respondents and other employees, representatives or agents of Platinum engaged in a course of conduct relating to securities that they knew or reasonably ought to have known would result in a fraud on persons.

III. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND CONTRARY TO THE PUBLIC INTEREST

19. The specific allegations advanced by Staff are:

(a) During the Material Time, the Respondents engaged or participated in acts, practices or courses of conduct relating to securities that the Respondents knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to section 126.1(b) of the Act and contrary to the public interest;

(b) During the Material Time, the Respondents traded in securities without being registered to trade in securities, contrary to section 25(1)(a) of the Act and contrary to the public interest;

(c) During the Material Time, Robinson, being a director or officer of Platinum, did authorize, permit or acquiesce in the commission of the violations of sections 25 and 126.1 of the Act, as set out above, by Platinum or by the employees, agents or representatives of Platinum, contrary to section 129.2 of the Act and contrary to the public interest; and

(d) During the Material Time, Robinson violated Ontario securities laws by breaching the Temporary Order, contrary to section 122(1)(c) of the Act and contrary to the public interest.

20. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto, 17 December, 2009.

1.3 News Releases

1.3.1 OSC Lays Charge against Peter Robinson in Ontario Court of Justice

FOR IMMEDIATE RELEASE
December 17, 2009

OSC LAYS CHARGE AGAINST PETER ROBINSON IN ONTARIO COURT OF JUSTICE

TORONTO – The Ontario Securities Commission announces that on November 26, 2009, a charge was laid in the Ontario Court of Justice under Section 122 of the *Securities Act* against Peter Robinson.

Robinson has been served with a summons to appear on December 21, 2009 at 9:00 a.m. at the Ontario Court of Justice, at 2201 Finch Avenue West in Toronto, Ontario in courtroom 202.

Robinson is charged with breaching a cease trade order made by the Commission on February 20, 2009.

Pursuant to section 122 of the Securities Act, anyone found guilty of an offence and on conviction is liable to a fine of not more than $5 million or to imprisonment for a term of not more than five years less a day, or to both.

For Media Inquiries: Wendy Dey
Director, Communications
& Public Affairs
416-593-8120

Theresa Ebden
Senior Communications
Specialist
416-593-8307

Robert Merrick
Senior Communications
Specialist
416-593-2315

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

1.4 Notices from the Office of the Secretary

1.4.1 Factorcorp Inc. et al.

FOR IMMEDIATE RELEASE
December 16, 2009

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

AND

IN THE MATTER OF

FACTORCORP INC.,
FACTORCORP FINANCIAL INC., AND
MARK IVAN TWERDUN

TORONTO – The Commission issued an Order adjourning the above noted matter until February 4, 2010 at 10:00 a.m.

A copy of the Order dated December 16, 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

Theresa Ebden
Senior Communications
Specialist
416-593-8307

Robert Merrick
Senior Communications
Specialist
416-593-2315

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

1.4.2 Canadian Imperial Bank of Commerce and CIBC World Markets Inc.

FOR IMMEDIATE RELEASE
December 18, 2009

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

AND

IN THE MATTER OF
CANADIAN IMPERIAL BANK OF COMMERCE
AND CIBC WORLD MARKETS INC.

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Canadian Imperial Bank of Commerce and CIBC World Markets Inc. The hearing will be held on December 21, 2009 at 1:00 p.m. in Hearing Room A on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated December 18, 2009 and the Statement of Allegations of Staff dated December 18, 2009 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

Theresa Ebden
Senior Communications Specialist
416-593-8307

Robert Merrick
Senior Communications Specialist
416-593-2315

For investor inquiries:

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

1.4.3 HSBC Bank Canada

FOR IMMEDIATE RELEASE
December 18, 2009

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

AND

IN THE MATTER OF
HSBC BANK CANADA

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and HSBC Bank Canada. The hearing will be held on December 21, 2009 at 2:30 p.m. in Hearing Room A on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated December 18, 2009 and the Statement of Allegations of Staff dated December 18, 2009 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

Theresa Ebden
Senior Communications Specialist
416-593-8307

Robert Merrick
Senior Communications Specialist
416-593-2315

For investor inquiries:

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

1.4.4 Peter Robinson and Platinum International Investments Inc.

FOR IMMEDIATE RELEASE
December 18, 2009

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

AND

IN THE MATTER OF
PETER ROBINSON AND
PLATINUM INTERNATIONAL INVESTMENTS INC.

TORONTO – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on January 11, 2010, at 11:00 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 December 18, 2009 and Statement of Allegations of Staff of the Ontario Securities Commission dated December 17, 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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Bluerock Acquisition Corp. – 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).

December 17, 2009

Bennett Jones LLP
4500, 855-2nd Street SW
Calgary, AB T2P 4K7

Attention: Ms. Jessica D. Ferguson

Dear Ms. Ferguson:

Re: Bluerock Acquisition Corp. (the Applicant) – application for a decision under the securities legislation of Alberta and Ontario (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.

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

2.1.2 Petro Andina Resources 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 legislation - Relief granted.

Applicable Legislative Provisions

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

Citation: Petro Andina Resources Inc., Re, 2009 ABASC 623

December 16, 2009

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

AND

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

AND

IN THE MATTER OF
Petro Andina Resources 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 each of the Jurisdictions (the **Exemptive Relief Sought**).

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

(a) the Alberta 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 was incorporated under the *Business Corporations Act* (Alberta) (the **ABCA**) on April 15, 2009. The predecessor of the Filer prior to the plan of arrangement (as described herein), also Petro Andina Resources Inc. (the **Predecessor**), was incorporated under the ABCA on July 10, 2003.

2. The Filer's registered and head office is located in Calgary, Alberta.

3. Pursuant to a plan of arrangement under Section 193 of the ABCA (the **Arrangement)**, Pluspetrol Resources Corporation N.V. (**Pluspetrol**), through a wholly-owned subsidiary 1462627 Alberta Ltd., acquired all of the class A shares of the Predecessor. Pursuant to the Arrangement, among other things, 1462627 Alberta Ltd. and the Predecessor were amalgamated (the **Amalgamation**), continuing as the Filer.

4. Pursuant to the Amalgamation, Pluspetrol received common shares of the Filer (the **Common Shares**) in exchange for its common shares of 1462627 Alberta Ltd.

5. Shareholders of the Predecessor approved the Arrangement and The Court of Queen's Bench of Alberta granted final approval of the Arrangement on October 30, 2009.

6. The Arrangement became effective on November 6, 2009.

7. The Filer's class A shares were delisted from the Toronto Stock Exchange (the TSX) on November 11, 2009.

8. The Filer's authorized capital consists of an unlimited number of Common Shares. As of the date hereof, the Filer has 10,001 Common Shares issued and outstanding, all of which are owned by Pluspetrol.

9. The Filer surrendered its reporting issuer status in British Columbia pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*. The Filer ceased to be a reporting issuer in British Columbia on November 22, 2009.

10. The Filer is applying for a decision that the Filer is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer.

11. As a result of the Arrangement, the outstanding securities of the Filer 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.

12. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

13. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer other than the requirements to file interim financial statements and related management's discussion and analysis for the interim period ended September 30, 2009 and interim certificates under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings in respect of its interim filings for the interim period ended September 30, 2009.

14. The Filer has no intention to seek public financing by way of an offering of securities in Canada.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.

"Blaine Young"
Associate Director, Corporate Finance

2.1.3 Criterion Investments Inc. and Criterion International Equity Fund

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of Mutual Fund Merger – approval required because merger does not meet the criteria for pre-approval – merger has differences in investment objectives – mergers not a "qualifying exchange" or a tax-deferred transaction under Income Tax Act.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.6.

December 17, 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
CRITERION INVESTMENTS INC.
(the Filer), AND
CRITERION INTERNATIONAL EQUITY FUND
(the Terminating Fund)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for approval of the merger (the **Merger**) of the Terminating Fund into Criterion Global Dividend Fund (the **Continuing Fund**) (together with the Terminating Fund, the **Funds**) under subsection 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) (the **Requested Relief**).

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

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

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

Columbia, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, and Newfoundland and Labrador (together with the Principal Regulator, the **Decision Makers**).

Interpretation

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

Representations

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

The Filer

1. The head office of the Filer and the Funds is located at 95 Wellington Street, West, Suite 1400, Toronto, Ontario. The Filer is not in default of securities legislation in any jurisdiction of the Decision Makers.

2. Each of the Funds are open-end investment trusts established under the laws of Ontario. The Filer is the manager and trustee of the Funds. The Funds have 11 classes of units outstanding, Class A units, Class B units, Class C units, Class D units, Class F units, Class I units, Class L units, Class M units, Class O units, Class P units and Class Q units. Pursuant to the Merger, unitholders of the Terminating Fund will receive, in exchange for their units of the Terminating Fund, the corresponding class of units of the Continuing Fund.

3. Units of the Funds are currently offered for sale in each jurisdiction of the Decision Makers under a simplified prospectus (**SP**) and annual information form (**AIF**) dated June 16, 2009, as amended.

4. The Funds are reporting issuers under the applicable securities legislation of each jurisdiction of the Decision Makers and are not on the list of defaulting reporting issuers maintained under such securities legislation.

5. Each of the Funds follows the standard investment restrictions and practices established by securities regulatory authorities in each jurisdiction of the Decision Makers.

The Merger

6. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, the Manager presented the terms of the Merger to the independent review committee for its review. The independent review committee recommended the Merger advising that, after reasonable inquiry, it concluded that this will achieve a fair and reasonable result for the Terminating Fund's unitholders.

7. A special meeting of the unitholders of the Terminating Fund was held on December 7, 2009 (the **Meeting**) to consider the Merger of such fund with the Continuing Fund. Subject to necessary regulatory approval, the Filer intends to effect the Merger on or about December 30, 2009 (the **Merger Date**).

8. A notice of meeting, management information circular (the **Circular**) and form of proxy, as well as the SP of the Funds and the annual and interim financial statements of the Continuing Fund were mailed to unitholders of the Terminating Fund in connection with the Meeting on November 16, 2009, and the notice of meeting, management information circular and form of proxy were filed on SEDAR on November 17, 2009.

9. In connection with the Meeting (i) a press release for the Terminating Fund was filed on SEDAR on November 2, 2009, (ii) a material change report for the Terminating Fund was filed on SEDAR on November 6, 2009, (iii) an amendment to the SP of the Terminating Fund was filed on SEDAR dated November 4, 2009, and (iv) an amendment to the AIF of the Terminating Fund was filed on SEDAR dated November 4, 2009.

10. Unitholders of the Terminating Fund will continue to have the right to redeem securities of such fund for cash at any time up to the close of business on the day prior to the Merger.

11. The Requested Relief is required because the Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers as set out in section 5.6(1) of NI 81-102 because:

    (a) contrary to subsection 5.6(1)(a)(ii) of NI 81-102, a reasonable person may not consider the fundamental investment objective of the Terminating Fund to be substantially similar to the fundamental investment objective of the Continuing Fund; and

    (b) contrary to subsection 5.6(1)(b) of NI 81-102, the Merger is not a tax-deferred transaction. The Circular discloses the tax implications of the Merger.

12. The primary differences between the fundamental investment objective of the Terminating Fund and the Continuing Fund are that while the investment objective of the Terminating Fund is to exceed the return of the Morgan Stanley Capital International EAFE Index over a market cycle by investing primarily in international common stocks and other equity securities of issuers organized or conducting business in countries other than the

United States, the Continuing Fund's investment objective is to provide unitholders with the opportunity for capital appreciation through investment in the securities that make up the RIS Index managed by Merrill Lynch. The RIS Index is a basket of 30 of the highest yielding companies included in the FTSE™ Global 100 Index based on the prevailing sector weights within the FTSE™ Global 100 Index from time to time.

13. It would be possible to carry out the Merger as a "qualifying exchange" under section 132.2 of the *Income Tax Act* (Canada). However, by effecting the Merger on a taxable basis rather than on a tax-deferred rollover basis, the Continuing Fund is able to preserve (i) its realized capital losses from the current taxation year and (ii) any loss carry forwards from prior taxation years. Further, it is expected that unitholders of the Terminating Fund who have held units of the Terminating Fund from inception would realize a loss rather than a gain on the taxable disposition of their units of the Terminating Fund for units of the Continuing Fund and, therefore, would not benefit from a tax-deferred rollover. For these reasons, the Filer believes it would be in the best interests of the unitholders of the Terminating Fund to effect the merger on a taxable basis rather than on a tax-deferred basis as a qualifying exchange.

14. Other than subsections 5.6(1)(a)(ii) and 5.6(1)(b) of NI 81-102, the Merger will comply with all other requirements for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

15. The costs and expenses of the Merger will be paid for by the Manager.

16. Following the Merger, a material change report for the Terminating Fund and an amendment to the SP and the AIF of the Funds will be filed on SEDAR.

17. Following the Merger, the Continuing Fund will continue as a publicly offered open-end mutual fund and the Terminating Fund will be wound up as soon as reasonably practicable. Pursuant to the Merger, the Terminating Fund will liquidate all of its portfolio such that on the date of the Merger, the Terminating Fund will hold only cash. The Terminating Fund will subscribe for units of the Continuing Fund in exchange for its portfolio assets and the assumption of the Terminating Fund's liabilities. On the Merger Date, the Terminating Fund will distribute its net income and any net realized capital gains for its current taxation year, to the extent necessary to eliminate its liability for tax. Immediately thereafter, the units of the Continuing Fund will be distributed to unitholders of the Terminating Fund in exchange for their units in the Terminating Fund on a class-by-class basis, and the Terminating Fund will cease to exist.

18. The Manager believes the Merger will be beneficial to unitholders of the Terminating Fund for the following reasons:

    (i) unitholders of the Terminating Fund may have the potential to enjoy increased economies of scale with respect to operating costs and administrative expenses as part of a larger Continuing Fund;

    (ii) the Merger will eliminate the administrative and regulatory costs of operating the Terminating Fund as a separate mutual fund;

    (iii) there is the potential for more stable, improved performance of the Continuing Fund;

    (iv) there are lower management fees charged to investors in the Continuing Fund for each class as compared to the Terminating Fund.

19. For tax reasons, the Terminating Fund wishes to terminate the Fund before the end of 2009.

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.

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

2.1.4 Inhance Investment Management Inc. et al.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 81-102 Mutual Funds – A mutual fund manager seeks approval of proposed fund mergers under the approval requirements in NI 81-102 – The continuing fund's investment objectives will either be substantially similar to those of the terminating fund, or include a component of the fundamental investment objective of the terminating fund in the continuing funds' objectives; although the fund manager will be different, the same individual portfolio managers will be responsible for most of the continuing funds; the funds' independent review committee approved the merger; unitholders will vote on the proposed mergers; terminating fund unitholders will receive alternate prospectus level disclosure; the tax consequences of the merger are as beneficial to unitholders as if the merger was on a tax-deferred basis; unitholders can redeem their investment after the merger without paying redemption fees; the new fund manager wishes to merge the terminating funds into newly-established continuing funds for reasons of administrative efficiency.

Applicable Ontario Provisions

National Instrument 81-102 Mutual Funds, s. 5.5(1)(b).

December 2, 2009

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

AND

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

AND

IN THE MATTER OF
INHANCE INVESTMENT MANAGEMENT INC.
(Inhance)

AND

INHANCE BALANCED FUND
INHANCE GLOBAL LEADERS FUND
INHANCE CANADIAN EQUITY FUND
INHANCE MONTHLY INCOME FUND
INHANCE BOND FUND
INHANCE MONEY MARKET FUND
(the Inhance Funds)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from Inhance for a decision under the securities legislation of the Jurisdictions (the Legislation) for approval under Section 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* (NI 81-102) of the proposed mergers of each of the Inhance Funds with certain Continuing Funds (as defined below) as set forth below (the Approval Sought):

Terminating Fund	Continuing Fund
Inhance Bond Fund	IA Clarington Bond Fund
Inhance Money Market Fund	IA Clarington Money Market Fund

Terminating Fund	Continuing Fund
Inhance Monthly Income Fund	IA Clarington Inhance Monthly Income SRI Fund
Inhance Canadian Equity Fund	IA Clarington Inhance Canadian Equity SRI Class
Inhance Global Leaders Fund	IA Clarington Inhance Global Equity SRI Class
Inhance Balanced Fund	IA Clarington Inhance Growth SRI Portfolio

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

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

(b) Inhance has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador and the Northwest Territories; and

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

Interpretation

2 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

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

1. Inhance is a subsidiary of Vancouver Savings Credit Union (Vancity) and the trustee and manager of the following groups of mutual funds:

   (a) the Inhance Funds;

   (b) the Vancity Circadian Mutual Funds (the Circadian Funds); and

   (c) the Vancity Perspectives Portfolio Solutions (the Perspectives Funds).

2. on October 1, 2009, Inhance, Vancity and IA Clarington Investments Inc. (IA Clarington) entered into an agreement (the Purchase Agreement) whereby IA Clarington will acquire the mutual fund management business of Inhance by purchasing certain related assets of the business (the Transaction), subject to, among other things, receipt of applicable unitholder and regulatory approvals and a positive recommendation of the Independent Review Committee (the IRC) of the Terminating Funds (as defined below);

3. the proposed mergers involving the Inhance Funds are part of a series of merger transactions also involving the Circadian Funds and the Perspectives Funds; under the terms of the Purchase Agreement, it is proposed that each of the Inhance Funds, the Circadian Funds and the Perspectives Funds (collectively, the Terminating Funds) be merged with certain mutual funds (collectively, the Continuing Funds) managed by IA Clarington, including six newly formed mutual funds (the IAC Inhance SRI Funds) which will follow the Inhance environmental, social and governance investment strategies (the Mergers), with the unitholders of each Terminating Fund becoming securityholders of the corresponding Continuing Fund as set forth below:

Terminating Fund	Continuing Fund
Vancity Circadian Short-Term Investment Fund	IA Clarington Money Market Fund
Vancity Circadian Monthly Income Fund	IA Clarington Inhance Monthly Income SRI Fund
Vancity Circadian Canadian Equity Fund	IA Clarington Inhance Canadian Equity SRI Class
Vancity Circadian Global Leaders Fund	IA Clarington Inhance Global Equity SRI Class

Terminating Fund	Continuing Fund
Vancity Circadian Balanced Fund	IA Clarington Inhance Growth SRI Portfolio
Vancity Perspectives Income Portfolio	IA Clarington Inhance Conservative SRI Portfolio
Vancity Perspectives Conservative Portfolio	IA Clarington Inhance Conservative SRI Portfolio
Vancity Perspectives Balanced Portfolio	IA Clarington Inhance Balanced SRI Portfolio
Vancity Perspectives High Growth Portfolio	IA Clarington Inhance Growth SRI Portfolio
Vancity Perspectives Growth Portfolio	IA Clarington Inhance Growth SRI Portfolio
Inhance Bond Fund	IA Clarington Bond Fund
Inhance Money Market Fund	IA Clarington Money Market Fund
Inhance Monthly Income Fund	IA Clarington Inhance Monthly Income SRI Fund
Inhance Canadian Equity Fund	IA Clarington Inhance Canadian Equity SRI Class
Inhance Global Leaders Fund	IA Clarington Inhance Global Equity SRI Class
Inhance Balanced Fund	IA Clarington Inhance Growth SRI Portfolio

4. section 5.6 of NI 81-102, which provides that the approval of securities regulatory authorities is not required in connection with a reorganization or transfer of assets by a mutual fund where certain criteria are met, does not apply in the case of the Mergers because:

   (a) the Continuing Funds are not managed by the same manager as the Terminating Funds or by an affiliate of the manager of the Terminating Funds as required by Section 5.6(1)(a)(i) of NI 81-102;

   (b) the Mergers will not be "qualifying exchanges" as required by Section 5.6(1)(b) of NI 81-102 as the Mergers will be implemented on a taxable basis and the elective tax-deferred merger rules for mutual funds contained in Section 132.2 of the *Income Tax Act* (the ITA) will not be implemented for any of the Mergers;

   (c) the investment objectives are not substantially similar in respect of the mergers of the Inhance Bond Fund into the IA Clarington Bond Fund and the Inhance Money Market Fund and the Vancity Circadian Short-Term Investment Fund into the IA Clarington Money Market Fund as required by Section 5.6(1)(a)(ii) of NI 81-102 as those Continuing Funds will not follow the environmental, social and governance investment strategies employed by the corresponding Terminating Funds; and

   (d) the materials sent to unitholders of the Terminating Funds in connection with the special meetings of unitholders (the Meetings) to be held for the purpose of considering and approving the Mergers included a notice of meetings and an information circular (together, the Information Circular) in the prescribed form, which included prospectus-level disclosure regarding the Continuing Funds and the securities to be issued to unitholders of the Terminating Funds upon completion of the Mergers and referenced the availability of the current simplified prospectus and the most recent annual and interim financial statements for the IA Clarington Bond Fund and the IA Clarington Money Market Fund, and the availability, when receipted by the Canadian securities regulators, of the current simplified prospectus for the IAC Inhance SRI Funds, from IA Clarington, at no cost to unitholders of the Terminating Funds, and at www.sedar.com, but copies of these documents were not sent along with the Information Circular as contemplated in Section 5.6(1)(f)(ii) of NI 81-102;

5. IA Clarington is a wholly-owned subsidiary of Industrial Alliance Insurance and Financial Services Inc. (Industrial Alliance); Industrial Alliance is the fourth largest life and health insurance company in Canada that offers a wide range of health insurance products, savings and retirement plans, mutual and segregated funds, auto and home insurance, mortgage loans and other financial products and services;

6. IA Clarington is registered as a Portfolio Manager in each of the provinces of Canada, and its head office is located at 1080 Grande Allée Ouest, Québec City, Québec G1K 7M3;

7. IA Clarington acts as an investment fund manager in Canada and has approximately $7 billion in assets under management in 44 public mutual funds;

8. with the exception of the IA Clarington Inhance Canadian Equity SRI Class and the IA Clarington Inhance Global Equity SRI Class (the Corporate Class Funds), all of the Continuing Funds (the Trust Funds) are open-ended mutual fund trusts established under the laws of the Province of Ontario by a declaration of trust dated as of August 28, 2000, as amended and restated. IA Clarington is the trustee and manager of the Trust Funds;

9. the Corporate Class Funds are separate classes of shares of Clarington Sector Fund Inc., which is a mutual fund corporation that was incorporated on July 17, 2000, by articles of incorporation under the laws of Ontario; IA Clarington is the manager of the Corporate Class Funds;

10. each of the IA Clarington Bond Fund and the IA Clarington Money Market Fund (together, the Existing IAC Funds) is a reporting issuer in each of the provinces and territories of Canada; units of the IA Clarington Bond Fund (Series A, F, I and X) and the IA Clarington Money Market Fund (Series A, B, I and X) are offered under a simplified prospectus and an annual information form, both dated July 6, 2009, in each of the provinces and territories of Canada;

11. on October 5, 2009, IA Clarington filed a preliminary simplified prospectus and a preliminary annual information form under National Instrument 81-101 *Mutual Fund Prospectus Disclosure* for each of the IAC Inhance SRI Funds with L'Autorité des marchés financiers in Québec (the AMF) and each of the securities regulatory authorities in each of the other provinces and territories of Canada; on November 26, 2009, IA Clarington obtained a receipt from the AMF for the final simplified prospectus and the final annual information form for each of the IAC Inhance SRI Funds listed below to offer the following securities in each of the provinces and territories of Canada:

IAC Inhance SRI Fund	**Securities**
IA Clarington Inhance Monthly Income SRI Fund	Series A, F, I and V
IA Clarington Inhance Canadian Equity SRI Class	Series A, F, I and V*
IA Clarington Inhance Global Equity SRI Class	Series A, F, I and V*
IA Clarington Inhance Growth SRI Portfolio	Series A, F and V
IA Clarington Inhance Conservative SRI Portfolio	Series A
IA Clarington Inhance Balanced SRI Portfolio	Series A, T6 and V

*each a class of shares of Clarington Sector Fund Inc.

12. at the time of the Meetings, the Continuing Funds will, with the exception of the Existing IAC Funds, be newly formed funds without any prior history and each will have at least $150,000 in assets; following the completion of the Mergers, the IAC Inhance SRI Funds are intended to essentially succeed the relevant Terminating Funds and be managed following substantially the same investment objectives and environmental, social and governance investment strategies as the relevant Terminating Funds;

13. Inhance is a corporation existing under the *Canada Business Corporations Act*; Inhance was formerly known as Real Assets Investment Management Inc., which changed its name to Inhance Investment Management Inc. effective February 13, 2006;

14. Inhance is registered as a Portfolio Manager in British Columbia, Manitoba, Quebec and Ontario; Inhance's head office is located at 1200 – 900 West Hastings Street, Vancouver, British Columbia V6C 1E5;

15. Inhance presently has approximately $75.3 million under management;

16. the Inhance Funds are open-ended unit trusts established under the laws of the Province of British Columbia pursuant to a declaration of trust dated as of September 12, 2003, as amended December 6, 2005, February 13, 2006, and November 19, 2007 (the Inhance Declaration of Trust); Inhance is the trustee and manager of each of the Inhance Funds under the Inhance Declaration of Trust; each of the Inhance Funds is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador and the Northwest Territories; the units of the Inhance Funds (Classes A, F and O) are offered under a simplified prospectus and an annual information form, dated May 21, 2009, in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and the Northwest Territories; none of the Inhance Funds are in default of the securities legislation in any jurisdiction in which any of the Inhance Funds is a reporting issuer;

17. the Circadian Funds and the Perspectives Funds are open-ended unit trusts established under the laws of the Province of British Columbia pursuant to a declaration of trust dated as of January 10, 2007, as amended December 7, 2007 (the Circadian/Perspectives Declaration of Trust); Inhance is the trustee and manager of each of the Circadian Funds and the Perspectives Funds under the Circadian/Perspectives Declaration of Trust; each of the Circadian Funds and each of the Vancity Perspectives Funds is a reporting issuer in the Province of British Columbia only; the units of the Circadian Funds (Classes A, F and O) and the Perspectives Funds (Class A) are offered under a simplified prospectus and an annual information form, dated May 11, 2009 and December 16, 2008, respectively, in British Columbia; none of the Circadian Funds and none of the Perspectives Funds are in default of the securities legislation in British Columbia;

18. Inhance anticipates that each of the Mergers will be structured as follows:

    (a) unless IA Clarington determines to accept the portfolio securities of a Terminating Fund into the portfolio of the corresponding Continuing Fund, each Terminating Fund will liquidate its investment portfolio prior to the date of the Merger such that each Terminating Fund will be holding cash at the time of the Merger;

    (b) each Continuing Fund will acquire the securities or the cash holdings of the corresponding Terminating Fund in exchange for units (or shares in the case of the Corporate Class Funds) of the Continuing Funds (the Exchanged IAC Securities) with an aggregate fair market value equal to the net asset value of the assets being transferred by the Terminating Fund;

    (c) the Continuing Funds will not be assuming the liabilities of the Terminating Funds; the Terminating Funds may retain sufficient assets to satisfy their estimated liabilities, if any, as of the effective date of the Mergers; to the extent that the expenses of the Terminating Funds exceed the management expense ratio prescribed for each Terminating Fund under its respective simplified prospectus, Inhance will absorb the Terminating Funds' remaining liabilities;

    (d) all of the Exchanged IAC Securities received by the corresponding Terminating Fund will be distributed to the unitholders of the Terminating Funds in exchange for their units of the Terminating Funds on a class by class pro rata basis; upon such distribution, the former unitholders of each of the Terminating Funds will become direct securityholders of the applicable Continuing Fund; and

    (e) as soon as reasonably possible following the Mergers, all of the Terminating Funds, having no unitholders and no material assets, will be wound up;.in the event that unitholder approval is not obtained for any Merger, it is anticipated that such Terminating Fund(s) will be wound up in accordance with the constating documents of such Terminating Fund(s);

19. the operational and administrative procedures of the Terminating Funds differ in many respects from those of the mutual funds managed by IA Clarington, including the Continuing Funds, and IA Clarington has determined that it is preferable for it to structure the transactions contemplated by the Purchase Agreement by way of a merger of the Terminating Funds into the Continuing Funds in order to eliminate the complexity of maintaining multiple administrative and operational procedures for the Terminating Funds following the acquisition;

20. unitholders of each of the Terminating Funds will have the right to redeem units of the Terminating Funds up to the close of business on the day prior to the effective date of the Mergers;

21. the Mergers will be implemented on a taxable basis and the elective tax-deferred merger rules for mutual funds contained in Section 132.2 of the ITA will not be implemented for any of the Mergers that may have otherwise qualified for such election; unitholders of the Terminating Funds will not be entitled to a roll-over with respect to the adjusted cost basis of the units they hold in any of the Terminating Funds; the reasons for completing the Mergers on a taxable basis are as follows:

    (a) for a Merger to qualify for a tax-deferred election, the Terminating Fund must qualify for tax purposes, at the date of the Merger, as a "mutual fund trust" and the Continuing Fund must also qualify for tax purposes, at the date of the Merger, as a "mutual fund trust"; based on the Terminating and Continuing Funds' tax status, such election would not be available for all of the proposed Mergers; specifically, the elective tax-deferred merger rules would not be available for nine of the sixteen Terminating Funds as they are not mutual fund trusts or are being merged with a mutual fund corporation;

(b) if the Mergers are completed on a taxable basis, Inhance believes that the majority of non-registered account holders would realize a capital loss and so would not benefit from the deferral of capital gains, which is the primary reason for pursuing a tax-deferred merger;

(c) if the elective tax-deferred merger rules were available and utilized, there could be tax implications to the Continuing Funds, such as deemed year end and expiry of loss carry forwards, which may have negative consequences for certain of the Continuing Funds and their securityholders (which would include former unitholders of the Terminating Funds which are proposed to be merged with these Continuing Funds); accordingly, the tax structure of the Mergers considered the balance of the competing interests of investors in both the Terminating Funds and the Continuing Funds; and

(d) Inhance has determined that a substantial majority of the units of the Terminating Funds are held in tax deferred registered plans, which are not generally affected by the tax consequences of the Mergers;

22. under the Purchase Agreement, IA Clarington's obligation to complete the Mergers is conditional upon Mergers involving Terminating Funds that represent in the aggregate at least 75% of the total net assets of all Terminating Funds being approved by their respective unitholders;

23. Inhance will initially act as sub-advisor (the Sub-Advisor) to the IAC Inhance SRI Funds pursuant to a sub-advisory agreement (the Sub-Advisory Agreement) between IA Clarington, Industrial Alliance Investment Management Inc. and Inhance; pursuant to the terms of the Sub-Advisory Agreement, the Sub-Advisor will be responsible for managing the portfolios of the IAC Inhance SRI Funds in accordance with their investment objectives and strategies, including environmental, social and governance investing strategies; shortly following completion of the Mergers, Inhance intends to assign the Sub-Advisory Agreement to Vancity Investment Management Limited (VCIM), an affiliate of Vancity; the same individual portfolio managers previously employed by Inhance and responsible for managing the Terminating Funds will become employees of VCIM;

24. effective upon completion of the Mergers, Vancity and IA Clarington will also enter into a strategic relationship agreement (the Strategic Relationship Agreement) pursuant to which IA Clarington will agree to provide Vancity with appropriate access to mutual funds managed by IA Clarington (the IA Clarington Funds), including the IAC Inhance SRI Funds, and other services, such as assistance in connection with sales training, preparation of marketing materials, professional development and product training with respect to the IA Clarington Funds.; uder the Strategic Relationship Agreement, Vancity has agreed, among other things, to promote, support and facilitate the distribution of the IA Clarington Funds, including the IAC Inhance SRI Funds, through Vancity's distribution network;

25. Inhance will be seeking the approval of unitholders of record of the Terminating Funds at the Meetings; the Information Circular was mailed to unitholders of the Terminating Funds on November 5, 2009;

26. Inhance will be responsible for all costs incurred by the Terminating Funds in connection with the Mergers, including the preparation and mailing of the Information Circular and related meeting materials and the calling and holding of the Meetings;

27. each of the Inhance Funds is a separate trust and, as such, will hold a separate special meeting of unitholders; if any of the Inhance Funds does not obtain unitholder approval for the proposed merger affecting that fund, that merger will not proceed;

28. provided unitholder and regulatory approvals are obtained, it is the intention of Inhance, Vancity and IA Clarington to effect the Mergers on or about the close of business on December 4, 2009;

29. the fundamental investment objectives and strategies of each of the IAC Inhance SRI Funds are substantially similar to the fundamental investment objectives and strategies of each of their corresponding Terminating Funds; the fundamental investment objectives of each of the Existing IAC Funds are similar to those of their corresponding Terminating Fund, but not substantially similar, as the Existing IAC Funds will not adopt the environmental, social and governance investment strategies that are currently employed by the corresponding Terminating Funds which are to be merged into each applicable Existing IAC Fund;

30. the valuation procedures of each of the Terminating Funds are substantially similar to the valuation procedures of each of the corresponding Continuing Funds;

31. the fee structures of each of the Terminating Funds are substantially similar to the fee structures of each of the corresponding Continuing Funds;

32. as a result of the Mergers, unitholders' holdings in each Continuing Fund will be converted to a front end purchase option at a 0% sales charge, thereby eliminating potential redemption fees applicable to unitholders who purchased units of a Terminating Fund on a low load or deferred sales charge basis;

33. Inhance believes that approval of the Mergers involving the Inhance Funds should be granted for the following reasons:

(a) the structure, rationale, benefits and tax consequences of the Mergers has been disclosed to unitholders of each of the Terminating Funds in the Information Circular that was mailed to unitholders of each of the Terminating Funds in advance of the Meetings to be held for the purpose of considering and approving the Mergers; unitholders of each of the Terminating Funds will be given an opportunity to vote for or against the Mergers at the Meetings;

(b) the Transaction, the Mergers and the other matters contemplated in the Purchase Agreement have been reviewed by the IRC of each of the Terminating Funds and the IRC has determined that the Mergers, as part of the Transaction and the other matters contemplated in the Purchase Agreement, achieve a fair and reasonable result for each of the Terminating Funds, including each of the Inhance Funds;

(c) unitholders of the Terminating Funds will be able to redeem their units at any time prior to the close of business on the business day immediately preceding the effective date of the Mergers;

(d) t the unitholders of the Terminating Funds will be entitled, as securityholders of the Continuing Funds, to the ongoing management of their investments in a manner which is consistent with the investment objectives and strategies of each Terminating Fund; in particular, the portfolio managers currently managing the Terminating Funds will be engaged through the Sub-Advisory Agreement to manage the portfolios of the IAC Inhance SRI Funds; consequently, the investment strategy employed for the IAC Inhance SRI Funds will be essentially the same as that of the corresponding Terminating Funds;

(e) by joining the IA Clarington family of mutual funds as a result of the Mergers, the unitholders of the Terminating Funds will benefit from, among other things, IA Clarington's depth of mutual fund experience, and in particular, the range and size of its mutual fund and investment product lines and more extensive distribution channels; this result may assist the IAC Inhance SRI Funds in achieving better economies of scale and sustainability in the long run than those Terminating Funds may have achieved on their own if the distribution of those Terminating Funds continued primarily within Vancity's distribution network;

(f) the Mergers will be beneficial to the unitholders of the Terminating Funds because, as securityholders of the Continuing Funds, they will be entitled to switch to other mutual funds managed by IA Clarington, subject to the rules and criteria set out in the relevant simplified prospectus for the Continuing Funds, which selection of mutual funds is greater than the selection currently available to unitholders of the Terminating Funds;

(g) as a result of the Mergers, unitholders' holdings in each Continuing Fund will be converted to a front-end purchase option at a 0% sales charge, thereby eliminating potential redemption fees applicable to unitholders who purchased units of the Terminating Fund on a low-load or deferred sales charge basis;

(h) two of the Continuing Funds are classes of shares of a mutual fund corporation; as shareholders of a mutual fund corporation, investors will be able to switch between different funds that are classes of the mutual fund corporation without creating a disposition for tax purposes; and

(i) certain of the Terminating Funds will merge into the Existing IAC Funds which have larger portfolios than their corresponding Terminating Funds, allowing for increased portfolio diversification opportunities.

Decision

4 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 Approval Sought is granted.

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

2.1.5 Borden Ladner Gervais LLP and the BLG Income Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Request relief from prospectus requirement – Professional organization to distribute securities of a trust or limited partnership to partners, professionals and executives, and their family trusts, professional corporations, and family members – The distributions are of securities of entities related to a business – The distributions will only be to professionals working for the business, and their spouses, professional corporations and family trusts – The distributions are structured to permit professionals to finance the business on a tax advantaged basis – Relief granted subject to conditions

Applicable Legislative Provisions

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

December 15, 2009

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

AND

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

AND

IN THE MATTER OF
BORDEN LADNER GERVAIS LLP (BLG)
AND THE BLG INCOME FUND (the Trust)
(collectively the Filers)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filers, for a decision under the securities legislation of the Jurisdictions (the Legislation) that the distribution of Trust Units (as defined below) by the Trust to Specified Investors (as defined below) will not be subject to the prospectus requirement (the Requested Relief).

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

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

(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 on in Alberta and Québec; and

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

Interpretation

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

Representations

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

1. BLG is a limited liability partnership formed for the practice of law with one office in Vancouver, British Columbia, one office in Calgary, Alberta, one office in Montreal, Quebec and three offices (Toronto, Ottawa and Waterloo) in Ontario;

2. the equity partners of BLG (BLG Partners) are approximately 300 lawyers or their Professional Corporations (as defined below);

3. a Professional Corporation is a corporation incorporated or continued under the laws of one of the provinces of Canada in which an individual practices, which holds, where required, a valid permit or licence to practice its profession in such province; any applicable Professional Corporation will be controlled by an individual lawyer (who would otherwise be a BLG Partner but for the installation of the Professional Corporation), acting as sole director and holding all voting securities of such of such Professional Corporation; family members of such individual lawyer may own securities of a Professional Corporation, but such securities, if any, are non-voting securities;

4. currently there exist five limited partnerships (the LPs) that provide secretarial, accounting and administrative services to the various offices of BLG;

5. none of the LPs are reporting issuers, and none of the LPs are in default of securities legislation in any Canadian jurisdiction;

6. BLG has no head office, but BLG has a significant connection with British Columbia as its national Chief Operating Officer is located in BLG's Vancouver office, while the remainder of its management, assets, operations and partners are spread out across its offices;

7. BLG Partners propose to create an investment structure for the LPs in order to accommodate retirement planning and credit proofing opportunities for BLG Partners;

8. under the proposal (the Trust Proposal), BLG established the Trust, called the BLG Income Fund; the Trust is a "mutual fund trust" as defined for tax purposes;

9. the Trust is not and does not have any intention of becoming a reporting issuer in any jurisdiction;

10. the Trust is not in default of securities legislation in any jurisdiction;

11. the capital of the Trust will consist of A units (A Units), and 5 classes of additional units (representing certain of the BLG offices) (together, the Trust Units); through a series of transactions,

    (a) Specified Investors (as defined below) will contribute what is expected to be $1,000 to subscribe for Trust Units; and

    (b) the Trust will use those subscription funds to subscribe for limited partnership units of the LPs;

12. A Units will be issued to all BLG Partners (or, in limited circumstances, Other Approved Persons, as defined below) or one or more of their related Specified Investors, and some of the income of the Trust is expected to be distributed on the A Units; the remaining Trust Units will be issued to BLG Partners (or, in limited circumstances, Other Approved Persons) in each of the BLG offices to which the class relates or to one or more of their related Specified Investors, and will be used to make annual adjustments to ensure that the Trust's income that is derived from the LP that corresponds to a BLG office is distributed solely to BLG Partners in that BLG office, or their related Specified Investors;

13. the Trust Units will not be transferable; the Trust Units will be redeemable by the Trust and retractable by Trust Unit holders for the original subscription amount and otherwise in accordance with the terms of the Trust Units; consequently no market will develop for the Trust Units;

14. under the Trust Proposal, Trust Units will be issued only to the following investors (each a Specified Investor):

    (a) a BLG Partner;

    (b) a Professional Corporation;

    (c) the spouse or common-law partner of a BLG Partner;

(d) an RRSP or RRIF (each a Registered Plan) of which a BLG Partner (or his or her spouse or common-law partner) is the annuitant (each a Registered Plan Investor);

(e) a trust (a Family Trust) established for the benefit of one or more of:

(i) a BLG Partner (or Other Approved Person);

(ii) a spouse of a BLG Partner (or Other Approved Person);

(iii) the living issue of a BLG Partner (or Other Approved Person) or his or her spouse;

(iv) the parents of a BLG Partner (or Other Approved Person) or his or her spouse;

(v) the grandparents of a BLG Partner (or Other Approved Person) or his or her spouse;

(vi) the siblings of a BLG Partner (or Other Approved Person) or his or her spouse; and

(vii) the nephews and nieces of a BLG Partner (or Other Approved Person) or his or her spouse;

(f) any other person approved by the trustees of the Trust (an Other Approved Person);

15. the class of "Other Approved Person" will be restricted to persons who are any of the following:

(a) a retired BLG Partner or his or her spouse or common-law partner;

(b) an income partner, counsel or other special adviser (including trade mark agents and other similar professionals who are not BLG Partners) to BLG, or his or her spouse or common- law partner;

(c) a senior executive of BLG or his or her spouse or common-law partner; or

(d) an RRSP or RRIF the annuitant or beneficiary of which is an Other Approved Person;

16. except for a BLG Partner or Other Approved Person, or the spouse or common-law partner of the BLG Partner or Other Approved Person, who is both a trustee of and a beneficiary under a particular Family Trust, no beneficiary of a Family Trust will directly or indirectly contribute money to the Family Trust, be liable for any amount in respect of the Family Trust, or be involved in making any investment decisions by the Family Trust;

17. Specified Investors, other than BLG Partners, have not been required, and will not be induced, to purchase the Trust Units by expectation of status or continued status as a BLG Partner, or by expectation of employment or engagement or continued employment or engagement by any person;

18. Trust Unit holders will receive combined unaudited semi-annual and audited annual financial statements of the Trust and BLG (collectively, the "Combined Statements"); the financial statements of the LPs will be consolidated into and form part of the Combined Statements;

19. the primary purpose of the Trust Proposal is to facilitate retirement planning for BLG Partners by holding Trust Units in Registered Plans and to provide an opportunity for credit proofing; and

20. although a majority of Specified Investors are expected to be accredited investors, there are occasions when the exemptions in National Instrument 45-106 *Prospectus and Registration Exemptions* may not be available for the issue of Trust Units.

Decision

4 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 Requested Relief is granted provided that:

(a) before the issuance of the Trust Units to Specified Investors, the Trust will obtain a written statement from the Specified Investor (or, in the case of a Registered Plan Investor, from each annuitant of the applicable Registered Plan) acknowledging receipt of a copy of this decision document and further acknowledging the

subscriber's understanding that the right to receive continuous disclosure is not available to the Specified Investor in respect of the Trust Units; and

(b) the first trade of a Trust Unit will be a distribution under the Legislation of the Jurisdiction in which the trade takes place.

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

2.1.6 Sprott Asset Management LP and Sprott Physical Gold Trust

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from registration and prospectus requirements in connection with the use of electronic roadshow materials – cross-border offering of securities – compliance with U.S. offering rules leads to non-compliance with Canadian regime – relief required as use of electronic roadshow materials constitutes a distribution requiring compliance with prospectus and registration requirements – relief granted from section 53 of the Securities Act (Ontario) in connection with a cross-border offering – decision subject to conditions.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53.
National Policy 47-201 Trading Securities Using the Internet and Other Electronic Means, s. 2.7.

November 17, 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
SPROTT ASSET MANAGEMENT LP
(the Filer)

AND

IN THE MATTER OF
SPROTT PHYSICAL GOLD TRUST
(the Trust)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer, in its capacity as the manager of the Trust, for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for a decision exempting the posting of certain roadshow materials on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com, during the "waiting period" from the prospectus requirement under the Legislation (the **Exemption Sought**).

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

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

(b) the Filer has provided notice that subsection 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, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon.

Interpretation

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

Representations

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

1. The Filer is a limited partnership formed and organized under the laws of the Province of Ontario and maintains its head office in Toronto, Ontario. The general partner of the Filer is Sprott Asset Management GP Inc. (the **General Partner)**, which is a corporation incorporated under the laws of the Province of Ontario. The General Partner is a wholly-owned, direct subsidiary of Sprott Inc. Sprott Inc. is a corporation incorporated under the laws of the Province of Ontario and is a public company listed on the TSX. Sprott Inc. is the sole limited partner of the Filer and the sole shareholder of the General Partner.

2. The Filer is registered under the securities legislation in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador as an adviser in the category of portfolio manager.

3. The Trust is a closed-end mutual fund trust established under the laws of the Province of Ontario pursuant to a trust agreement dated as of August 28, 2009 (the **Trust Agreement**), as the same may be amended, restated or supplemented from time to time. Pursuant to the Trust Agreement, RBC Dexia Investor Services Trust and the Manager are the trustee and the manager of the Trust, respectively.

4. The Trust is a "mutual fund in Ontario" as such term is defined in the *Securities Act* (Ontario) and is subject to the investment restrictions applicable to mutual funds which are prescribed by National Instrument 81-102 *Mutual Funds*. The Filer has established an independent review committee for the Trust in accordance with the requirements under National Instrument 81-107 *Independent Review Committee for Investment Funds*.

5. The Trust is not required to register as an "investment company" as such term is defined in the U.S. *Investment Company Act of 1940*, as amended (the **1940 Act**), since the Trust will invest all or substantially all of its assets in physical gold bullion. Physical gold bullion does not fall within the definition of either a "security" or an "investment security" under the 1940 Act and, accordingly, the Trust is not required to be registered as an "investment company".

6. The Filer and the Trust are not in default of securities legislation in any province or territory of Canada.

7. In connection with an initial public offering (the **Offering**) of transferable, redeemable units of the Trust (the **Units**), a preliminary long form prospectus dated August 31, 2009 (the **Preliminary Prospectus**) was confidentially filed with the securities regulatory authorities in each province and territory of Canada (collectively, the **Canadian Jurisdictions**) and the Trust intends to become a reporting issuer, or the equivalent thereof, in such Canadian Jurisdictions following the filing of a final prospectus (the **Final Prospectus**) in respect of the Offering of the Units.

8. Concurrently with filing the Preliminary Prospectus, the Trust confidentially filed a registration statement on Form F-1 (the **Registration Statement**) under the U.S. *Securities Act of 1933*, as amended (the **1933 Act**), with the United States Securities and Exchange Commission (the **SEC**) in connection with the Offering of the Units in the United States.

9. The Trust intends to list the Units on the Toronto Stock Exchange (**TSX)** and the New York Stock Exchange Arca (**NYSE Arca**). The Trust will not file a Final Prospectus until the TSX and the NYSE Arca have conditionally approved the listing of the Units.

10. On or about November 20, 2009, the Trust intends to file via SEDAR the Preliminary Prospectus, as amended, with each of the Canadian Jurisdictions and concurrently file via EDGAR the Registration Statement, as amended, with the SEC in respect of the Offering of the Units.

11. During the interval between the date of issuance of a preliminary receipt for the Preliminary Prospectus, as amended, and the date of issuance of a receipt for the Final Prospectus (such period being known as the **waiting period**) under National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*, the Trust intends to utilize electronic roadshow materials (the **Website Materials**) as part of the marketing efforts for the Offering, as is now typical for an initial public offering in the United States.

12. Because the Trust will not be required to file reports with the SEC pursuant to section 13 or section 15(d) of the U.S. *Securities Exchange Act of 1934*, as amended, until the time the Registration Statement has become effective pursuant to the 1933 Act, Rule 433(d)(8)(ii) under the 1933 Act which came into effect in December 2005, requires the Trust to either file the Website Materials with the SEC or make them "available without restriction by means of graphic communication to any person…". Staff of the SEC have taken the position that the requirement to be "available without restriction" means that there cannot be any restrictions on access or viewing imposed, both with respect to persons in and outside of the United States.

13. Compliance with applicable U.S. securities laws thus requires either making the Website Materials available in a manner that affords unrestricted access to the public, or filing the Website Materials on the SEC's EDGAR system, which will have the same effect of affording unrestricted access; however, this is inconsistent with Canadian securities laws, in particular, the prospectus requirement and activities that are permissible during the waiting period which, when applied together, require that access to the Website Materials be controlled by the Trust or the underwriters by such means as password protection and otherwise, as suggested by National Policy 47-201 *Trading Securities Using the Internet and Other Electronic Means*.

14. The Trust wishes to comply with applicable U.S. securities laws by posting the Website Materials on the website of one or more commercial services, such as www.retailroadshow.com or www.netroadshow.com, without any restriction thereon, such as password protection.

15. The securities laws of the Canadian Jurisdictions do not, absent the Exemption Sought, allow the Trust to post the Website Materials on the website of one or more commercial services, such as www.retailroadshow.com or www.netroadshow.com, during the waiting period in a manner that would allow the Website Materials to be accessible to all prospective investors in the Canadian Jurisdictions without restriction.

16. The Website Materials will contain a statement that information conveyed through the Website Materials does not contain all of the information in the Preliminary Prospectus, or any amendments thereto, or the Final Prospectus, or any amendments thereto, and that prospective purchasers should review all of those prospectuses, in addition to the Website Materials, for complete information regarding the Units.

17. The Website Materials will also contain a hyperlink to the prospectuses referred to in the foregoing paragraph, as at and after such time as a particular prospectus is filed. The Website Materials will comply with Part 15 of National Instrument 81-102 *Mutual Funds*.

18. The Website Materials, the Preliminary Prospectus, as amended, and the Final Prospectus will state that purchasers of Units in the Canadian Jurisdictions will have a contractual right of action against the Trust and the underwriters in connection with the information contained in the Website Materials posted on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com.

19. At least one underwriter that signed the Preliminary Prospectus was, and in respect of any subsequently amended preliminary prospectus and the Final Prospectus will be, registered in each of the Canadian Jurisdictions.

20. Canadian purchasers will only be able to purchase the Units through an underwriter that is registered in the respective Canadian Jurisdiction of residence of the Canadian purchaser.

21. The Filer and the Trust acknowledge that the Exemption Sought relates only to the posting of the Website Materials on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com.

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:

(a) The Preliminary Prospectus, as amended, and the Final Prospectus state that purchasers of Units in each of the Canadian Jurisdictions have a contractual right of action against the Trust and the Canadian underwriters, substantially in the following form:

> "We may make available certain materials describing the offering (the **Website Materials**) on the website of one or more commercial services, such as www.retailroadshow.com and/or www.netroadshow.com, under the heading "Sprott Physical Gold Trust" in accordance with U.S. securities law during the period prior to obtaining a final receipt for the final prospectus relating to this offering (the **Final Prospectus**) from the securities regulatory authorities in each of the provinces and territories of Canada (the **Canadian Jurisdictions**). In order to give purchasers in each of the Canadian Jurisdictions the same unrestricted access to the Website Materials as provided to U.S. purchasers, we have applied for and obtained exemptive relief from the securities regulatory authorities in each of the Canadian Jurisdictions. Pursuant to the terms of that exemptive relief, we and each of the Canadian underwriters signing the certificate contained in the Final Prospectus have agreed that, in the event that the Website Materials contained any untrue statement of a material fact or omitted to state a material fact required to be stated or necessary in order to make any statement

therein not misleading in the light of the circumstances in which it was made (a **misrepresentation**) a purchaser resident in any of the Canadian Jurisdictions who purchases Units pursuant to the Final Prospectus during the period of distribution shall have, without regard to whether the purchaser relied on the misrepresentation, rights against the Trust and each Canadian underwriter with respect to such misrepresentations as are equivalent to the rights under section 130 of the Securities Act (Ontario) or the comparable provision of the securities legislation of each of the other Canadian Jurisdictions, as if such misrepresentation was contained in the Final Prospectus."

"James Turner"
Vice-Chair

"Margot Howard"
Commissioner

2.1.7 Centerra Gold Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Filer granted relief to file a preliminary short form prospectus that includes material scientific or technical information about mineral projects on properties material to the Filer that is not contained a previously filed technical report – Filer unable to complete new technical reports prior to date controlling shareholder wishes Filer to file a preliminary short form prospectus – disclosure in press release and preliminary prospectus to be reviewed by author of new technical reports, Filer will be in a position to ensure that the information in the press release and the preliminary prospectus will reflect the material information to be included in the new technical reports and will be supported thereby, Filer is not receiving any proceeds from the offering – relief granted from National Instrument 44-101 Short Form Prospectus Distributions and National Instrument 43-101 Standards of Disclosure for Mineral Projects

Applicable Legislative Provisions

National Instrument 43-101 Standards of Disclosure for Mineral Projects, s. 4.2(1)(b).
National Instrument 44-101 Short Form Prospectus Distributions, s. 4.1(a)(v).

December 7, 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
CENTERRA GOLD INC.
(the "Filer")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "Legislation") for a decision under Section 8.1 of National Instrument 44-101 *Short Form Prospectus Distributions* ("NI 44-101") for an exemption from paragraph 4.1(a)(v) of NI 44-101 and under Section 9.1 of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") for an exemption from paragraph 4.2(1)(b) of NI 43-101, in connection with a short form prospectus to be filed by the Filer (the "Exemption Sought").

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

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

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

Interpretation

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

Representations

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

(a) The Filer is a corporation governed by the *Canada Business Corporations Act* with its registered address located at 1 University Avenue, Suite 1500, Toronto, Ontario, M5J 2P1.

(b) The Filer is a reporting issuer in all provinces and territories of Canada and its principal regulator under MI 11-102 is the Ontario Securities Commission ("OSC").

(c) The Filer's common shares trade on the Toronto Stock Exchange.

(d) To the Filer's knowledge, the Filer is not in default of the securities legislation of Ontario or of the Notified Jurisdictions.

(e) The Filer is engaged in the business of acquiring, exploring, developing and operating gold properties primarily in Asia, the former Soviet Union and other emerging markets worldwide.

(f) The Filer currently owns and operates two producing gold mines: the Kumtor mine in the Kyrgyz Republic and the Boroo mine in Mongolia, both of which are material to the Filer, as well as interests in development and exploration properties.

(g) The Filer filed NI 43-101 compliant technical reports on the Kumtor mine (the "Kumtor Technical Report") on March 28, 2008 and on the Boroo mine (the "Boroo Technical Report") on May 14, 2004 (together, the "Current Technical Reports").

(h) The Filer's technical personnel are currently in the midst of their annual review of the Filer's Kumtor and Boroo mines which is currently scheduled to be completed in early December, 2009. The Filer anticipates that the review may result in the issuance of a press release (the "Press Release") that includes material scientific or technical information about either the Kumtor mine or the Boroo mine, or both, that is not contained in the Current Technical Reports. The Press Release will be issued if and when such disclosure is required by the Filer's timely disclosure obligations.

(i) The Filer understands that Cameco Corporation ("Cameco") owns 88,618,472 common shares (the "Cameco Shares") of the Filer (excluding 25,300,000 common shares that are being held in escrow for future transfer to the Kyrgyz Republic upon the satisfaction of certain conditions, as previously publicly disclosed), representing approximately 37.7% of the issued and outstanding common shares of the Filer.

(j) The Filer has been informed by representatives of Cameco that Cameco is considering a secondary offering of the Cameco Shares, by way of a public offering, in early December, 2009 to take advantage of current gold prices and a market window which Cameco believes will close by the middle of the month. Because of the holiday season, if the secondary offering is not launched by mid-December, it would have to be delayed until 2010, by which time market conditions may no longer be favourable.

(k) Pursuant to a shareholders agreement between Kyrgyzaltyn JSC, Cameco and the Filer dated June 6, 2009, the Filer is obligated to furnish all reasonable assistance to Cameco in connection with any secondary offering, including by preparing a prospectus for the purposes of such a secondary offering.

(l) As a result, shortly after the issuance of the Press Release and the dissemination of the information contained in the Press Release to the marketplace, the Filer may be required by Cameco to file a preliminary short form prospectus (the "Preliminary Prospectus") and thereafter a final short form prospectus (the "Final Prospectus") with the OSC and with the local securities regulatory authority in the each of the Notified Jurisdictions, to qualify the Cameco Shares for distribution. The Filer will not receive any proceeds from the securities distributed under the Final Prospectus.

(m) The Filer believes it is in the best interests of the Filer and its minority shareholders for Cameco to dispose of its controlling interest in the Filer by way of a secondary offering to the public, rather than a private sale of this controlling interest to a third party buyer (including potentially a foreign domiciled buyer).

(n) The technical information contained in the Press Release and disclosed in the Preliminary Prospectus will be reviewed by the qualified persons responsible for authoring the new NI 43-101 compliant technical reports on the Kumtor mine and the Boroo mine (the "New Technical Reports") .

(o) Although all the necessary engineering and other technical work, including site visits, will be completed prior to issuing the Press Release, the qualified persons authoring the New Technical Reports will not be in a position to complete the New Technical Reports prior to the date the Filer is likely to be required to file the Preliminary Prospectus, as required by paragraphs 4.2(1)(b) of NI 43-101 and 4.1(a)(v) of NI 44-101. The Filer will be in a position, however, to ensure that the information in the Press Release and the Preliminary Prospectus will reflect the material information to be included in the New Technical Reports and will be supported thereby.

(p) The Filer has no reason to believe that the information in the New Technical Reports will be materially different from the information in the Press Release.

(q) The New Technical Reports will be filed on SEDAR as soon as they are available, but prior to the filing of the Final Prospectus.

(r) The Filer will include, in the Preliminary Prospectus, the following cautionary language: "The technical disclosure in this Preliminary Prospectus relating to

the Kumtor mine and the Boroo mine has not been supported by a technical report prepared in accordance with NI 43-101. The technical reports are being prepared by qualified persons as defined under NI 43-101 and will be available on SEDAR (www.sedar.com) on or before the filing of the Final Prospectus. Readers are advised to refer to those technical reports when filed." (the "Cautionary Disclosure")

(s) The Filer will disclose the terms of any decision arising out of this Application in the Preliminary Prospectus.

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:

(a) the terms of this decision are disclosed in the Preliminary Prospectus;

(b) the Cautionary Disclosure is included in the Preliminary Prospectus; and

(c) the New Technical Reports are filed prior to the Final Prospectus.

Furthermore, the decision of the principal regulator is that the application and this decision be kept confidential and not be made public until the earlier of: (a) the date on which the Filer announces its intention to file the Preliminary Prospectus; (b) the date on which the Filer files the Preliminary Prospectus; (c) the date the Filer advises the OSC that there is no longer any need for the application and this decision to remain confidential; and (d) January 31, 2009.

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

2.1.8 Newstrike Resources Ltd.

Headnote

NP 11-203 – decision exempting the Filer from the requirement in s. 3.1 of NI 52-107 that financial statements be prepared in accordance with Canadian GAAP for so long as the Filer prepares its financial statements in accordance with IFRS-IASB – for financial periods beginning on or after January 1, 2010 – Filer must provide specified disclosure regarding change to IFRS-IASB – if the Filer files interim financial statements prepared in accordance with Canadian GAAP in the year that the Filer adopts IFRS-IASB, those interim financial statements must be restated using IFRS-IASB – Filer wishes to change to IFRS-IASB to reduce the complexity of its financial statement preparation process.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, s. 3.1.

December 8, 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
NEWSTRIKE RESOURCES LTD.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for a decision under the Legislation exempting the Filer from the requirement in section 3.1 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107) that financial statements be prepared in accordance with Canadian GAAP (the Exemption Sought), in order that the Filer may prepare its financial statements for periods beginning on or after April 1, 2010 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (IFRS-IASB).

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

1. the Ontario Securities Commission is the principal regulator for this application, and

2. the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 Passport System (MI 11-102) is intended to be relied upon in Alberta and British Columbia (the Passport Jurisdictions).

Interpretation

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

Representations

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

1. the Filer is a corporation incorporated under the laws of Ontario on September 14, 2004; the registered and head office of the Filer is located at 360 Bay Street, Suite 500, Toronto, Ontario M5H 2V6.

2. the Filer is a reporting issuer in the Jurisdiction and the Passport Jurisdictions. The Filer is not in default of its reporting issuer obligations under the Legislation or the securities legislation of the Passport Jurisdictions;

3. the Filer's securities are listed on the TSX Venture Exchange;

4. the Filer is a junior natural resource corporation;

5. the Canadian Accounting Standards Board has confirmed that publicly accountable enterprises will be required to prepare their financial statements in accordance with IFRS-IASB for financial statements relating to fiscal years beginning on or after January 1, 2011;

6. NI 52-107 sets out acceptable accounting principles for financial reporting under the Legislation by domestic issuers, foreign issuers, registrants and other market participants. Under NI 52-107, a domestic issuer must use Canadian GAAP. Under NI 52-107, only foreign issuers may use IFRS-IASB;

7. in CSA Staff Notice 52-321 *Early Adoption of International Financial Reporting Standards, Use of US GAAP and Reference to IFRS-IASB*, staff of the Canadian Securities Administrators recognized that some issuers may wish to prepare their financial statements in accordance with IFRS-IASB for periods beginning prior to January 1, 2011 and indicated that staff were prepared to recommend exemptive relief on a case by case basis to permit a domestic issuer to do so, despite section 3.1 of NI 52-107;

8. subject to obtaining the Exemption Sought, the Filer intends to adopt IFRS-IASB for its financial statements for periods beginning on and after April 1, 2010;

9. the Filer's financial year is the last day of March in each calendar year;

10. the Filer has carefully assessed the readiness of its staff, Board, audit committee, auditors, investors and other market participants for the adoption by the Filer of IFRS-IASB for financial periods beginning on or after April 1, 2010 and has concluded that all parties will be adequately prepared for the Filer's adoption of IFRS-IASB for periods beginning on or after April 1, 2010;

11. the Filer has considered the implications of adopting IFRS-IASB on its obligations under securities legislation including, but not limited to, those relating to CEO and CFO certifications, business acquisition reports, offering documents, and previously released material forward looking information;

12. the Filer has not previously prepared financial statements that contain an explicit and unreserved statement of compliance with IFRS-IASB;

13. the Filer believes that the early adoption of IFRS-IASB will allow it greater access to consultants to assist with the conversion to IFRS-IASB, which the Filer believes will reduce costs and enhance efficiencies with respect to the Filer's financial statement preparation process;

14. the Filer will disseminate a news release not more than seven days after the date of this decision document disclosing relevant information about its conversion to IFRS-IASB as contemplated by CSA Staff Notice 52-320 Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International Financial Reporting Standards, including:

    (a) the key elements and timing of its conversion plan to adopt IFRS-IASB;

    (b) the exemptions available under IFRS 1 *First-time Adoption of International Financial Reporting Standards* that the Filer expects to apply in preparing financial statements in accordance with IFRS-IASB;

    (c) the major identified differences between the Filer’s current accounting policies and those the Filer is required or expects to

apply in preparing financial statements in accordance with IFRS-IASB; and

(d) the impact of adopting IFRS-IASB on the key line items in the Filer's interim financial statements for the period ended September 30, 2009; and

15. the Filer will reproduce the information set out in the news release in its subsequent management's discussion and analysis, including, to the extent the Filer has quantified such information, quantitative information regarding the impact of adopting IFRS-IASB on the key line items in the Filer's financial statements.

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:

a. the Filer prepares its financial statements for years beginning on or after April 1, 2010 in accordance with IFRS-IASB;

b. in the event the Filer filed interim financial statements prepared in accordance with Canadian GAAP in the year the Filer adopts IFRS-IASB, the Filer will restate any previous interim statements for the financial year in which it adopted IFRS-IASB that were originally prepared using Canadian GAAP and file revised interim management discussion and analysis and new interim CEO and CFO certifications;

c. the Filer provides all of the communication as described and in the manner set out in paragraphs 14 and 15; and

d. if the Filer files its first IFRS-IASB financial statements in an interim period, those interim financial statements will present all financial statements with equal prominence, including the opening statement of financial position at the date of transition to IFRS-IASB.

DATED this 8th day of December, 2009.

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

2.1.9 FundEX Investments Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 81-105 Mutual Fund Sales Practices – relief from subsection 7.1(1)(b) and 7.1(3) of NI 81-105 granted to participating dealer and its representatives to pay a commission rebate to clients when clients switch into related mutual funds – relief subject to conditions that mitigate conflicts.

Applicable Legislative Provisions

National Instrument 81-105 Mutual Funds Sales Practices, ss. 7.1(1)(b), 7.1(3), 9.1.

December 15, 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
FUNDEX INVESTMENTS INC.
(FundEX or 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 an exemption under section 9.1 of National Instrument 81-105 *Mutual Fund Sales Practices* (NI 81-105) exempting the Filer and its present and future representatives (the Representatives) from the prohibitions contained in paragraph 7.1(1)(b) and subsection 7.1(3) of NI 81-105 prohibiting the Filer and its Representatives from paying to a securityholder all or any part of a fee or commission payable by the securityholder on the redemption of securities of a mutual fund that occurs in connection with the purchase by the securityholder of securities of another mutual fund that is not in the same mutual fund family (a commission rebate) where the Filer is a member of the organization of the mutual fund the securities of which are being acquired (the Exemption Sought).

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

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

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

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. FundEX is registered in each of the provinces and territories of Canada as a dealer in the category of mutual fund dealer. FundEX is also registered as an exempt market dealer in Ontario and Newfoundland and Labrador. FundEX is a member of the Mutual Fund Dealers Association of Canada. The head office of FundEX is located in Ontario.

2. The Filer is a "member of the organization" (within the meaning of NI 81-105) of the mutual funds managed by IA Clarington Investments Inc. (IA Clarington), known as the "IA Clarington Funds". The Filer may become in the future, a "member of the organization" of other mutual funds, since the parent company or an affiliate of the Filer may establish or acquire interests in corporations that are managers of mutual funds (Future Affiliated Funds).

3. The Filer is a direct wholly-owned subsidiary of Industrial Alliance Insurance and Financial Services Inc. (Industrial Alliance). IA Clarington is also a direct wholly-owned subsidiary of Industrial Alliance.

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

5. The Filer acts as a participating dealer (within the meaning of NI 81-105) in respect of the IA Clarington Funds as well as for third party managed mutual funds.

6. The Filer acts independently from IA Clarington and has no connection with IA Clarington, other than through its common parent company. The Filer and its Representatives are free to choose which mutual funds to recommend to their clients and consider recommending the IA Clarington Funds to their clients in the same way as they consider recommending other third party mutual funds. The Filer and its Representatives comply with their obligation at law and only recommend mutual funds that they believe would be suitable for their clients and in accordance with their clients' investment objectives. IA Clarington provides the Filer with the compensation described in the prospectus of the IA Clarington Funds in the same manner as IA Clarington does for any participating dealer selling securities of the IA Clarington Funds to their clients. All compensation and sales incentives paid to the Filer by any member of the organization of the IA Clarington Funds or of any Future Affiliated Funds will comply with NI 81-105.

7. Neither the Filer, nor any of its Representatives, is or will be subject to quotas (whether express or implied) in respect of selling the IA Clarington Funds. Neither the Filer nor IA Clarington or any other member of their organization, provide any incentive (whether express or implied) to the Filer's Representatives or to the Filer to encourage those Representatives or the Filer to recommend the IA Clarington Funds over third-party managed mutual funds.

8. The Filer complies with NI 81-105, in particular, Part 4 of NI 81-105 in its compensation practices with the Representatives.

9. No Representative of the Filer has an equity interest in the Filer (within the meaning of NI 81-105) or in any other member of the organization of the IA Clarington Funds.

10. The prohibitions in section 7.1 of NI 81-105 mean that neither the Filer nor its Representatives can reimburse their client for any fees or commissions incurred by those clients when they decide to switch into an IA Clarington Fund from another mutual fund. Section 7.1 allows the Filer and its Representatives to pay commission rebates when the client decides to switch from one third party fund to another third party fund, provided the disclosure and consent procedure established in section 7.1 is followed.

11. Payment of commission rebates by the Filer and its Representatives benefit the client so that the client does not incur costs in switching from one fund to another.

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:

(a) The Representatives and the Filer will comply with the provisions of paragraph 7.1(1)(a) of NI 81-105.

(b) The Representatives and the Filer will comply with the disclosure and consent provisions of Part 8 of NI 81-105.

(c) The clients of the Filer will be advised by the Filer and its Representatives, in writing and in advance of finalizing the switch, that any commission rebate proposed to be made available in connection with the purchase of securities of IA Clarington Funds or Future Affiliated Funds:

(i) will be available to the client regardless of whether the redemption proceeds are invested in an IA Clarington Fund, a Future Affiliated Fund or a third party fund (to the maximum of the commission earned by the Representative on the purchase);

(ii) will not be conditional upon the purchase of securities of an IA Clarington Fund or a Future Affiliated Fund; and

(iii) in all cases, be not more than the amount of the gross sales commission earned by the Filer on the client's purchase of an IA Clarington Fund or a Future Affiliated Fund.

(d) The actual amount of the commission rebate paid in respect of the switch will be not more than the amount referred to in paragraph (c) (iii) above.

(e) The Filer or its Representatives that provide commission rebates will not be reimbursed directly or indirectly in respect of that commission rebate in connection with a switch to an IA Clarington Fund or a Future Affiliated Fund by any member of the organization of that fund.

(f) The Filer's compliance policies and procedures that relate to this decision will emphasize that any commission rebate agreed to be paid to a client by a Representative cannot be conditional on the client acquiring an IA Clarington Fund or a Future Affiliated Fund and will be made available to the client if the client wishes to switch to an unrelated third-party fund.

(g) This decision shall cease to be operative following the entry into force of a rule of the principal regulator which replaces or amends section 7.1 of NI 81-105.

"David L. Knight"
Commissioner
Ontario Securities Commission

"James Turner"
Vice-Chair
Ontario Securities Commission

2.1.10 SEAMARK Asset Management Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval granted for change of control of a mutual fund manager. A new entity Matrix Asset Management Ltd. created as the result of the transaction between the Filer and Growth Works Ltd. ("Growth Works") Growth Works will have control of the management of the Filer's mutual funds – Change of control will not have any adverse effect on the management and administration of the Seamark Mutual Funds – National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 5.5(2).

December 14, 2009

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
NOVA SCOTIA AND ONTARIO
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
SEAMARK ASSET MANAGEMENT LTD.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the "**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for the approval of the change of control of the Filer resulting from the Transaction (as defined below) (the "**Change of Control"**) in satisfaction of the requirement in section 5.5(2) of National Instrument 81-102 – *Mutual Funds* ("**NI 81-102**") (the "**Approval Sought**").

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* ("**MI 11-201**") is intended to be relied upon in each of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Prince Edward Island and Newfoundland and Labrador; and

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

Interpretation

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

Representations

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

SEAMARK

SEAMARK was incorporated under the *Canada Business Corporation Act* on November 4, 1982 under the name of Elliott & Page Atlantic Limited. On October 1, 1990, articles of amendment were filed to change the name to SEAMARK Asset Management Ltd., under which name it continues to carry on business.

SEAMARK is an investment counsel firm with its head office located in Halifax, Nova Scotia and is registered as a dealer in the category of exempt market dealer in the Provinces of Newfoundland and Labrador and Ontario and as an adviser in the category of portfolio manager in each of the provinces in Canada.

SEAMARK is a reporting issuer in all provinces and territories in Canada.

SEAMARK is not on any list of defaulting reporting issuers maintained by any securities regulatory authority.

The common shares of SEAMARK are listed and posted for trading on the Toronto Stock Exchange ("**TSX**") and trade under the symbol "SM".

SEAMARK provides discretionary investment management services to a range of clients including:

1. *Institutional Clients* – pensions, endowments, and other funds managed on behalf of institutions (corporations, municipalities, and not for profit societies), including group pension plans sponsored by life insurance companies.

2. *Mutual Funds* – mutual funds available directly to retail investors that are managed and sponsored by SEAMARK or managed by SEAMARK on behalf of the funds' sponsors.

3. *WRAP Programs* – assets managed through a managed portfolio advisory program. Financial advisors employed by the sponsors of these programs assist their clients in selecting suitable investment manager, of whom SEAMARK is one among a number of potential choices.

4. *Private Clients* – assets managed on behalf of high net worth individuals who have a direct client relationship with SEAMARK.

SEAMARK is the manager and trustee of the following mutual funds ("**SEAMARK's Mutual Funds**"):

1. SEAMARK Dividend & Income Fund;

2. SEAMARK Canadian Equity Fund; and

3. SEAMARK North American Fund.

Each of the SEAMARK's Mutual Funds is a reporting issuer in the Jurisdictions. They each offer their units by way of an offering under the simplified prospectus to qualified investors resident in Canada. None of the SEAMARK's Mutual Funds are on any list of defaulting reporting issuers maintained by any securities regulatory authority.

The Transaction

On October 28, 2009 SEAMARK and Growth Works Ltd. ("**GrowthWorks**") entered into a business combination agreement (the "**Agreement**") to form a new asset management company, Matrix Asset Management Ltd. ("**Matrix**") (the "**Transaction**").

The Agreement contemplates the exchange of all of the outstanding common shares of SEAMARK for common shares of Matrix on a 1-for-1 basis, followed by the exchange (the "**Share Exchange**") of a minimum of 90% of the outstanding common shares of GrowthWorks for common shares of Matrix (the "**Acquisition Shares**"). As a result, both SEAMARK and GrowthWorks will become subsidiaries of Matrix. Assuming all outstanding common shares of GrowthWorks (and all common shares of GrowthWorks that may be issued pursuant to outstanding securities of GrowthWorks that are convertible or exercisable into common shares of GrowthWorks) are acquired by Matrix pursuant to the Share Exchange or otherwise, the Acquisition Shares will represent 75% of Matrix's issued common share capital on completion of the Transaction. As a result, the Transaction would be considered a change of control for SEAMARK. SEAMARK issued a press release announcing the Transaction on October 29, 2009.

SEAMARK's shareholders will be asked to approve the Transaction at a special meeting of shareholders called and scheduled for January 6, 2010. Approval of two-thirds of those voting will be required to effect the exchange of SEAMARK's common

shares for the common shares of Matrix, and approval of a majority of those voting will be required in order to proceed with the Share Exchange.

Holders of more than 53% of the outstanding common shares of SEAMARK have signed support agreements under which they have agreed to vote their shares in favour of the Transaction.

Holders of more than 74% of the outstanding common shares of GrowthWorks have signed support agreements under which they have agreed to exchange their shares pursuant to the Share Exchange offer. The Share Exchange offer was distributed to GrowthWorks' shareholders on November 2 and 3, 2009.

On November 13, 2009 a joint notice was submitted under sections 11.9 and 11.10 of National Instrument 31-103 – *Registration Requirements and Exemptions* ("**NI 31-103**") to the applicable securities regulatory authorities. SEAMARK provided the notice pursuant to Section 11.9(1)(b) of NI 31-103 and SEAMARK, GWC (as defined below) and MVX (as defined below) provided the notice pursuant to Section 11.10(1) of NI 31-103.

Notice of Change of Control was mailed to all of the SEAMARK's Mutual Funds unitholders on November 13, 2009.

The Transaction is scheduled to close on or about January 14, 2010, subject to a number of conditions, including obtaining necessary regulatory, TSX, shareholder and other approvals, and the satisfaction or waiver of all conditions related to the Transaction.

GrowthWorks

GrowthWorks is a private company incorporated in 1999 under the CBCA. Its head office is located in Vancouver, British Columbia. GrowthWorks has approximately 150 shareholders but is not a reporting issuer in any jurisdiction in Canada. No shareholder holds greater than 10% of the outstanding voting securities of GrowthWorks other than as follows:

Name	Number of Common Shares	% of Outstanding Common Shares
David Levi(1)	1,642,410	19.19%
Working Enterprises Ltd.	4,000,000	46.73%

(1) Mr. Levi holds, directly, indirectly or controls (through trusts and/or corporations, in any manner) a total of 1,642,410 common shares.

The remaining shares of GrowthWorks are held by directors, officers, employees and former employees of Growth Works Capital Ltd. ("**GWC**") (and trusts for certain of those persons and the family members of certain of those persons).

Affiliates of GrowthWorks manage several venture capital funds, including Working Opportunity Fund (EVCC) Ltd., GrowthWorks Canadian Fund Ltd., GrowthWorks Commercialization Fund Ltd., GrowthWorks Atlantic Venture Fund Ltd. and the Mavrix group of specialty mutual funds and flow-through investment funds. Currently, affiliates of GrowthWorks have approximately $1 billion in assets under management.

Each of GWC and Mavrix Fund Management Inc. ("MVX"), registrants under securities laws, are wholly owned subsidiaries of GrowthWorks.

Growth Works Capital Ltd.

GWC has been registered with one or more securities regulatory authorities for over 10 years. David Levi is the President and Chief Executive Officer of GWC.

GWC is currently registered as an adviser in the category of a portfolio manager in British Columbia, Ontario, Nova Scotia, Manitoba and Saskatchewan. GWC is also registered as a mutual fund dealer in each of British Columbia, Ontario, Nova Scotia and Saskatchewan. GWC's registration as a mutual fund dealer is to allow it to conduct "in furtherance" trades in connection with its actions as the principal distributor to investment funds managed by GWC or its affiliates. In Manitoba, GWC is permitted to make similar "in furtherance" trades in connection with acting as principal distributor for investment funds managed by GWC or its affiliates.

Mavrix Fund Management Inc.

MVX was incorporated under the *Business Corporations Act* (Ontario). MVX was founded in 2001 as an independent, employee-owned asset management corporation. MVX acquired management agreements, declarations of trust and certain other assets from YMG Mutual Funds in 2001 and subsequently changed the names of those funds to "Mavrix Fund Management Inc.". GrowthWorks acquired MVX in June 2009 through a plan of arrangement.

MVX is a registrant under the Ontario *Securities Act* as a dealer in the category of exempt market dealer and as an adviser in the category of portfolio manager.

MVX is a reporting issuer in each of the provinces and the territories in Canada. MVX's debentures are listed on the CNSX.

Matrix

Matrix is incorporated under the CBCA. Following the Transaction, both SEAMARK and GrowthWorks will become subsidiaries of Matrix.

Change of Control

It is anticipated that, following the completion of the Transaction, the operations of SEAMARK will continue substantially as they are currently operated. The role of SEAMARK as the manager of the SEAMARK Mutual Funds is not expected to change as a result of the change of control of SEAMARK. No changes are expected to the portfolio advisers, the fundamental objectives, restrictions and strategies relating to each of the SEAMARK's Mutual Funds as a result of the change of control. It is anticipated that following the Transaction, the board of directors of SEAMARK will consist of Brent Barrie, Chief Executive Officer of SEAMARK, Angela Eaton, Chief Investment Officer of SEAMARK as well as David Levi, Alex Irwin and Clint Matthews, all of whom have the requisite experience. David Levi, Alex Irwin and Clint Matthews will also act as officers of Matrix.

Matrix will be governed by a new board of directors, whose membership will include representatives from both the boards of GrowthWorks and SEAMARK, including David Levi, President and Chief Executive Officer of GrowthWorks, Larry Bell, Dale Parker, John Shields, Brent Barrie, Chief Executive Officer of SEAMARK, Stephen Rankin and William Eeuwes. In addition, former SEAMARK Chief Executive Officer, G. Peter Marshall, is expected to join Matrix's board.

Upon the Change of Control, all current members of the Independent Review Committee for SEAMARK Mutual Funds ("**IRC**") will cease to be members of the IRC by the operation of section 3.10(1)(c) of National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("**NI 81-107**") and, subject to their consent, are expected to be subsequently re-appointed as members of the IRC by SEAMARK as contemplated in the commentary to sections 3.3(5) and 3.10 of NI 81-107.

While the Transaction will result in a Change of Control, it is not expected to have any negative impact on the management of the SEAMARK's Mutual Funds.

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 Approval Sought is granted.

"J.W. Slattery"
Executive Director
Nova Scotia Securities Commission

2.1.11 Somerset Entertainment Income Fund – 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).

December 17, 2009

Greg Herget
Stikeman Elliott LLP
5300 Commerce Court
199 Bay Street
Toronto, Ontario M5L 1B9

Dear Sirs/Mesdames:

Re: Somerset Entertainment Income Fund (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, Nunavut, Yukon, and Northwest Territories (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

2.1.12 KAB Distribution 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 – issuer has no outstanding securities – issuer is in default of certain continuous disclosure obligations

Applicable Legislative Provisions

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

December 18, 2009

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

AND

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

AND

IN THE MATTER OF
KAB DISTRIBUTION INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is not a reporting issuer (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 *Business Corporations Act* (Ontario) with its registered address located at 2300 Yonge Street, Suite 1710, P.O. Box 2408, Toronto, Ontario, M4P 1E4.

(2) The Filer is a reporting issuer in the jurisdictions of Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut.

(3) Pursuant to a plan of arrangement approved by the Ontario Superior Court of Justice on May 25, 2009 and completed on June 1, 2009, the Filer sold substantially all of its assets to Disney Online.

(4) Pursuant to a further order of the Ontario Superior Court of Justice, dated November 4, 2009, and the filing of additional articles of arrangement by the Filer on November 20, 2009, the entire issued share capital of the Filer was cancelled and, accordingly, the Filer has no securities, including debt securities, issued and outstanding.

(5) Prior to consummation of the transactions described above, the common shares of the Filer were listed for trading on the Toronto Stock Exchange (TSX) under the symbol "KAB".

(6) On September 22, 2009, the common shares of the Filer were de-listed from the TSX.

(7) No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.

(8) The Filer has no current intention to seek public financing by way of an offering of securities.

(9) The Filer has voluntarily surrendered its reporting issuer status in British Columbia pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* (the “BC Instrument”), which surrender was effective as of December 3, 2009.

(10) The Filer is applying for an order that it is not a reporting issuer in all jurisdictions of Canada in which it is currently a reporting issuer.

(11) The Filer is not currently in default of any of its obligations under the Legislation as a reporting issuer, except its obligations to file: (i) its interim financial statements for the period ended September 30, 2009 and its Management Discussion and Analysis in respect of such financial statements, as required under National

Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"), which became due on November 30, 2009; (ii) the related certification of such financial statements as required under Multilateral Instrument 52-109 *Certification of Disclosure in Filers' Annual and Interim Filings* ("NI 52-109"), which became due on November 30, 2009; and (iii) a change of status report upon becoming a venture issuer on September 22, 2009, as required under NI 51-102.

(12) The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* since the Filer is in default of certain of its obligations under the Legislation as a reporting issuer, as noted above.

(13) The Filer, upon the grant of the Exemptive Relief Sought, will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

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.

"David L. Knight"
Commissioner
Ontario Securities Commission

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

2.2 Orders

2.2.1 Factorcorp Inc. et al. – s. 127

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

AND

IN THE MATTER OF

FACTORCORP INC.,
FACTORCORP FINANCIAL INC., AND
MARK IVAN TWERDUN

ORDER
(Section 127 of the Act)

WHEREAS on May 12, 2009 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5, accompanied by a Statement of Allegations (the "Statement of Allegations") issued by Staff of the Commission on the same date against Factorcorp Inc., Factorcorp Financial Inc., and Mark Twerdun ("Twerdun");

AND WHEREAS on May 12, 2009 a temporary order was continued against Twerdun, as varied on October 26, 2007, until this proceeding is concluded and a decision of the Commission is rendered or until the Commission considers it appropriate;

AND WHEREAS Twerdun brought a motion for particulars by Notice of Motion dated September 25, 2009;

AND WHEREAS on October 5, 2009, Staff consented to an order that it provide a reply to the demand for particulars;

AND WHEREAS Staff provided a reply to the demand for particulars on November 2, 2009 with the agreement of Twerdun;

AND WHEREAS a motion date has been set for February 4, 2010 at the request of Twerdun to address an issue in respect of the cooperation of witnesses;

AND WHEREAS counsel for Staff and Twerdun agreed that this matter be adjourned for a pre-hearing conference on February 4, 2010 if the motion does not proceed;

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

IT IS HEREBY ORDERED that

(1) A motion to be brought by Twerdun is set for February 4, 2010 at 10:00 a.m.; and

(2) This matter is adjourned until February 4, 2010 at 10:00 a.m., or such other date as determined by the Office of the Secretary, for the purpose of having a pre-hearing conference on that date.

DATED at Toronto, this 16th day of December 2009.

"David L. Knight"

2.2.2 GLV Inc. – s. 4.2 of OSC Rule 56-501 Restricted Shares

Headnote

OSC Rule 56-501 Restricted Shares – Reporting issuer request for exemption from certain minority approval requirements of Part 3 of Rule 56-501 for subordinate voting shares – issuer formed through statutory arrangement – full disclosure provided in management proxy circular

Statutes Cited

OSC Rule 56-501 Restricted Shares.

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

AND

IN THE MATTER OF
GLV INC.

ORDER
(Section 4.2 of Rule 56-501)

WHEREAS GLV Inc. (the **Corporation**) has applied to the Director (the **Director**) for an exemption from the requirements of Part 3 of Commission Rule 56-501 (**Rule 56-501**) in connection with stock distributions under a prospectus exemption of Class A subordinated voting shares of the Corporation (**Subordinate Voting Shares**) in the Province of Ontario;

AND WHEREAS the Company has represented to the Director that:

1. The Corporation was incorporated on May 15, 2007 under the *Canada Business Corporations Act* (the **CBCA**) for the purpose of acquiring indirectly two divisions of Groupe Laperrière & Verreault Inc. (**Groupe**) by way of a court approved plan of arrangement (the **Arrangement**) finalized on August 18, 2007 between Groupe, its shareholders, FLSmidth & Co A/S (**FLS**) and 4417861 Canada Inc.

2. The Corporation's head office is located in Montréal, Québec.

3. The Corporation is a reporting issuer in all provinces and territories of Canada.

4. The authorized share capital of the Corporation consists of an unlimited number of Subordinate Voting Shares, Class B Multiple Voting Shares carrying 10 votes per share, participating and convertible into Subordinate Voting Shares, and preferred shares issuable in series, of which as of November 27, 2009, 36,987,694 Subordinate

Voting Shares, 2,204,205 Class B Multiple Voting Shares and no preferred voting shares, were issued and outstanding.

5. The Subordinate Voting Shares and the Class B Multiple Voting Shares are listed on the Toronto Stock Exchange under the symbol GLV. A and GLV. B, respectively.

6. The Corporation is a leading global provider of technological and engineering solutions used in water treatment and pulp and paper production and has two main divisions.

7. The Corporation's Water Treatment Group specializes in the design and international marketing of solutions for the treatment and the recycling of municipal and industrial wastewater, as well as water used in various industrial processes. It also offers water intake screening solutions for power stations and desalination plants. With its extensive technological portfolio, the Water Treatment Group is positioned to provide comprehensive solutions for the filtration, clarification, treatment and purification of water that will either be returned to the environment, or be re-used in various industrial processes or for domestic purposes.

8. The Corporation's Pulp and Paper Group specializes in the design and global marketing of equipment and systems used in various stages of pulp and paper production, notably chemical pulping, pulp preparation, and sheet formation and finishing. The Pulp and Paper Group ranks amongst the foremost players in its industry and is a recognized leader in rebuilding, upgrading and optimization services for existing equipment, as well as the sale of spare parts.

9. The Corporation has previously filed an exemption application pursuant to National Policy 11-202 from section 12.3 of National Instrument 41-101 in connection with the filing of a preliminary short form prospectus in all provinces and territories of Canada on June 16, 2009. Receipt for the final short form prospectus was granted on June 22, 2009 and evidenced the granting of the requested exemption.

10. On August 18, 2007, Groupe finalized an Arrangement between itself, its shareholders, FLSmidth & Co A/S and 4417861 Canada Inc. Immediately prior to the Arrangement, Groupe transferred its water treatment group, it's pulp and paper group and its manufacturing unit to a new corporation, the Corporation, which was subsequently spun off to Groupe's public shareholders. Immediately after the transfer of the water treatment, pulp and paper and manufacturing businesses to the Corporation, FLS acquired all the outstanding Subordinate Voting Shares and Class B Multiple Voting Shares of Groupe, thereby becoming the sole shareholder of Groupe.

11. In connection with the Arrangement, Groupe prepared and sent to its shareholders and filed with the appropriate securities regulatory authorities, a management proxy circular (the **Circular**) in connection with the solicitation by management of proxies in respect of the Arrangement. The Circular contained prospectus level disclosure with respect to the Corporation and the Arrangement transaction. Groupe retained the services of CIBC World Markets Inc. to provide the special committee of the Board of Directors of Groupe with an opinion that the consideration to be received by Groupe's security holders under the Arrangement was fair from a financial point of view to them and the fairness opinion was summarized and disclosed in its entirety in the Circular. Rights of dissent were made available to Groupe's security holders pursuant to the Arrangement. The Superior Court of Québec considered the fairness of the Arrangement in granting its final order approving the Arrangement. Articles of Arrangement were subsequently filed. The Arrangement became effective on August 18, 2007.

12. In connection with the Arrangement, Groupe called a special meeting of its shareholders to consider and approve the Arrangement. The meeting of the shareholders was held on July 27, 2007. The Arrangement was required to receive 75% approval of all classes of Groupe's security holders. The Arrangement was approved by a majority of 99.92% for the holders of Subordinate Voting Shares and unanimously for the holders of the Class B Multiple Voting Shares. Groupe's security holders all became security holders of the Corporation as a result of the Arrangement.

13. In the Circular, rights of dissent were made available to Groupe's security holders pursuant to the Arrangement. We are advised that none of Groupe's security holders dissented in respect of the Arrangement transaction. Furthermore, in connection with the Arrangement, no minority shareholders needed the protection provided by Rule 56-501 since the share capital of the Corporation mirrored the share capital of Groupe.

14. In the context of the Arrangement, the rights and privileges attaching to all classes of shares of the Corporation were approved by the Toronto Stock Exchange (the **Exchange**) as part of the listing process. Any further distribution of Subordinate Voting Shares by the Corporation would also be subject to the Exchange approval who is also exercising regulatory oversight.

15. We further submit that should the Corporation be involved in any take-over bid or special transactions it will always have to respect the

requirements of Multilateral Instrument 61-101 on the *Protection of Minority Security Holders in Special Transactions*.

16. The Corporation does not technically satisfy the requirements of subsection 3.2 of OSC Rule 56 501 since at the special Shareholders' meeting held on July 27, 2007, the special resolution to approve the Arrangement was obtained from the holders of the Class A Subordinate Voting Shares and the holders of Class B Multiple Voting Shares of Groupe, the predecessor company of the Corporation, and not from the holders of Subordinate Voting Shares and the holders of Class B Multiple Voting Shares of the Corporation and minority approval was not obtained because securities held by a control person were not excluded.

17. Even if the Corporation had followed all the requirements of paragraph (e) of subsection 3.2 of Rule 56-501, and had excluded Mr. Laurent Verreault, the CEO of the Corporation, who held personally 7,200 Class B Multiple Voting Shares and a further 1,673,040 Class B Multiple Voting Shares through 3033548 Nova Scotia Company, a corporation of which all the shares are held by Trust Laurent Verreault, in view of the overwhelming support expressed in favour of the Arrangement, the exclusion of Mr. Verreault would not have had any effect on the outcome of the vote.

18. The policy rationale for the requirement under Part 3 of Rule 56-501 is to restrict the issuance of restricted shares, such as the Subordinate Voting Shares of the Corporation, unless such stock distribution or the reorganization carried out by the issuer related to the restricted shares that are the subject of the stock distribution has obtained minority approval and that the disclosure in the information circular contained prescribed information.

19. The Corporation has met that policy rationale through the mailing, by Groupe, of an information circular to each shareholder of Groupe (each of which automatically became a shareholder of the Corporation pursuant to the Arrangement), and the holders of Subordinate Voting Shares and the holders of the Class B Multiple Voting Shares of Groupe, each voting as a Class, adopted the special resolution to approve the Arrangement.

20. The content of the information circular had also been previously approved by a Superior Court judge in the context of the Arrangement.

AND WHEREAS the Director is satisfied that it would not be prejudicial to the public interest to grant the exemption requested;

IT IS ORDERED pursuant to section 4.2 of Rule 56-501 that the Corporation be and it is hereby exempted from the requirements of Part 3 of Rule 56-501 in connection with any stock distribution of Subordinate Voting Shares under a prospectus exemption and which complies with the requirements of National Instrument 45-106 Prospectus and Registration Exemptions so long as any subsequent reorganization, if any, carried out by the Corporation related to the Subordinate Voting Shares receives minority approval (as defined in Rule 56-501) and otherwise complies with the provisions of Part 3 of Rule 56-501.

Dated December 4, 2009

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

2.2.3 Village Farms Canada Inc. – s. 1(11)(b)

Headnote

Application by former wholly-owned subsidiary of public income trust for an order designating applicant to be a reporting issuer – applicant is the public corporate entity that will continue following a transaction whereby unitholders of the income trust will exchange their ordinary units for common shares of the applicant – conversion transaction approved at special meeting of unitholders – income trust will be wound-up on effective date of conversion – requested order harmonizes regulatory treatment of applicant across Canada.

Statutes Cited

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

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

AND

IN THE MATTER OF
VILLAGE FARMS CANADA INC.

ORDER
(Clause 1(11)(b))

UPON the application (the **Application**) of Village Farms Canada Inc. (to be renamed Village Farms International, Inc. on or before December 31, 2009) (the **Applicant**) for an order pursuant to clause 1(11)(b) of the Act that, for purposes of Ontario securities law, the Applicant become a reporting issuer in Ontario as of December 31, 2009 (the **Effective Date**);

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was amalgamated under the laws of Canada on December 23, 2003 under the name Hot House Growers Inc. The Applicant changed its name from Hot House Growers Inc. to Village Farms Canada Inc. effective October 19, 2006.

2. The registered office of the Applicant is at 4700 – 80th Street, Delta, British Columbia, V4K 3N3.

3. The Applicant is a direct, wholly-owned subsidiary of Village Farms Income Fund (the **Fund**).

4. On December 9, 2009, the Fund held a special meeting of unitholders whereby unitholders approved, among other things, the Fund's proposed conversion to a corporate structure by way of a plan of arrangement under the *Canada Business Corporations Act* (the **Conversion**).

5. When the Conversion is implemented on the Effective Date, it will result in the reorganization of the Fund's income trust structure into a corporate structure under the Applicant. Pursuant to the Conversion, ordinary unitholders of the Fund and the holder of the Class A unit of the Fund will receive common shares and special shares, respectively, of the Applicant.

6. The Fund and the Applicant obtained a final order from the Ontario Superior Court of Justice on December 15, 2009 approving the Conversion, and the Fund and the Applicant have determined that the Conversion will be completed on the Effective Date.

7. The Applicant intends to change its legal name to Village Farms International, Inc. on or before December 31, 2009 and, following the Effective Date, the common shares of the Applicant will be listed on the Toronto Stock Exchange (the **TSX**) under the symbol "VFF".

8. The TSX has indicated that the common shares of the Applicant will be listed on the Effective Date, subject to the prior receipt of certain standard documents. The common shares of the Applicant will not be posted for trading on the TSX until two or three trading days after the Effective Date.

9. The Fund is a reporting issuer in each of the provinces of Canada (the **Reporting Jurisdictions**). The Fund is not on the lists of defaulting reporting issuers maintained by the securities regulatory authority or regulator in the Reporting Jurisdictions.

10. On the Effective Date, the Fund will be wound-up as part of the Conversion and will accordingly cease to be a reporting issuer in each of the provinces of Canada.

11. As a result of the varying definitions of "reporting issuer" contained in Canadian securities legislation, on the Effective Date the Applicant will, by operation of law, automatically become a reporting issuer in each of the provinces of Canada, except Ontario.

12. The definition of "reporting issuer" in clause 1(1) of the Act will not, by operation of law, confer upon the Applicant status as a reporting issuer upon completion of the Conversion on the Effective Date.

13. The Applicant has made the Application so that it will be a reporting issuer in all of the Reporting Jurisdictions on the Effective Date.

AND UPON the Commission being satisfied that to do so is in the public interest;

IT IS ORDERED, pursuant to clause 1(11)(b) of the Act, that, for purposes of Ontario securities law, the Applicant shall become a reporting issuer on the Effective Date.

DATED this 18th day of December, 2009

"Carol S. Perry"

"James E. A. Turner"

2.2.4 Southeast Asia Mining Corp. – s. 144

Headnote

Section 144 – application for variation of cease trade order – issuer cease traded due to failure to file with the Commission annual financial statements – issuer has applied for a variation of the cease trade order to permit the issuer to proceed with a private placement – potential investors to be accredited investors and to receive copy of cease trade order and partial revocation order prior to making investment decision – partial revocation granted subject to conditions.

Applicable Legislative Provisions

Securities Act , R.S.O. 1990, c. S.5, as am., ss. 127, 144.
National Instrument 45-106 Prospectus and Registration Exemptions.

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

AND

IN THE MATTER OF
SOUTHEAST ASIA MINING CORP.

ORDER
(Section 144 of the Act)

WHEREAS the securities of Southeast Asia Mining Corp. (the **Applicant**) are subject to a temporary cease trade order issued by the Director on May 4, 2009 pursuant to subsections 127(1) and 127(5) of the Act and a further cease trade order issued by the Director on May 15, 2009 pursuant to subsection 127(1) of the Act (together, the **Ontario Cease Trade Order**), directing that all trading in the securities of the Applicant cease until further order by the Director;

AND WHEREAS the Applicant has applied to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 144 of the Act (the **Application**) to partially revoke the Ontario Cease Trade Order;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant was incorporated under the laws of Canada on August 18, 2006. The Applicant's head and registered office is located at 130 Adelaide Street West, Suite 2700, Toronto, Ontario, M5H 3P5. The Applicant's records are currently located at 130 Adelaide Street West, Suite 2700, Toronto, Ontario, M5H 3P5.

2. As at the date hereof, the authorized capital of the Applicant consists of an unlimited number of common shares (the **Common Shares**) of which 53,484,262 are issued and outstanding.

3. The Applicant became a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario on November 28, 2008 by filing a long form prospectus with the Ontario Securities Commission and with the securities commissions of British Columbia, Alberta, Saskatchewan and Manitoba under Multilateral Instrument 11-102 *Passport System*. The Applicant is not a reporting issuer or the equivalent in any other jurisdiction in Canada.

4. The Applicant does not have any securities listed or quoted on any exchange or market in Canada or elsewhere.

5. The Ontario Cease Trade Order was issued as a result of the Applicant's failure to file, in accordance with the requirements of Ontario securities law, audited annual financial statements and the related management's discussion and analysis for the year ended December 31, 2008 (together, the **2008 Annual Statements**). The Applicant has not filed any further financial statements or other continuous disclosure documents required by Ontario securities law for periods or matters arising subsequent to December 31, 2008.

6. In addition to the Ontario Cease Trade Order, the Applicant is subject to the following cease trade orders, each of which was issued due to, in part, the failure to file the 2008 Annual Statements:

   (a) an order issued by the British Columbia Securities Commission on May 5, 2009, as extended by a further order dated June 3, 2009;

(b) an order issued by the Manitoba Securities Commission on May 15, 2009; and

(c) an order issued by the Alberta Securities Commission on August 18, 2009.

7. The Applicant's failure to file financial statements commencing with the 2008 Annual Statements is a result of financial distress. If the Applicant cannot proceed with the Financing (as defined below), it is likely that the Applicant will not be able to continue its operations.

8. The Applicant intends to complete a non-brokered private placement of securities (the **Financing**) to raise up to $1,120,000 to allow the Applicant to bring itself back into compliance with its continuous disclosure obligations by filing the Required Documents (as defined below) and to satisfy certain outstanding debts, filing fees and other expenses of the Applicant as described more full in paragraph 10 below. The Financing will be conducted on a prospectus exempt basis with subscribers who are accredited investors (as such term is defined in National Instrument 45-106 *Prospectus and Registration Exemptions*) resident in the Province of Ontario only (each a **Potential Investor**).

9. The Financing will entail a private placement of units (**Units**) priced at $0.25 per Unit, with each Unit being composed of one Common Share of the Applicant and one-half of one Common Share purchase warrant (each whole common share purchase warrant, a **Warrant**) exercisable for a period of two years at a price of $0.35 per Warrant. To the knowledge of the Applicant none of the Potential Investors will be insiders or related parties of the Applicant.

10. The proceeds of the Financing is estimated to be applied as follows:

a.	Legal, accounting and audit fees:	$395,000
b.	Outstanding salary payments (at 50%)	$260,000
c.	Property payments	$400,000
d.	General office expense	$35,000
e.	Fees and penalties for late filings of materials	$30,000
	Total Expenses	$1,120,000

11. As the Financing would involve a trade of securities and acts in furtherance of trades, the Financing could not be completed without a partial revocation of the Ontario Cease Trade Order.

12. The Financing will be completed in accordance with all applicable laws.

13. The Applicant believes that the proceeds of the Financing will be sufficient to bring its continuous disclosure obligations up to date and pay all related outstanding fees.

14. Prior to completion of the Financing, each Potential Investor will receive:

(a) a copy of the Ontario Cease Trade Order,

(b) a copy of this Order, and

(c) written notice from the Applicant, and will provide a written acknowledgement to the Applicant, that all of the Applicant's securities, including the Units, Common Shares and Warrants issued in connection with the Financing, will remain subject to the Ontario Cease Trade Order until it is revoked, and that the granting of this partial revocation Order does not guarantee the issuance of a full revocation in the future.

15. Upon issuance of this Order, the Applicant will issue a press release and file a material change report announcing the Financing and this Order.

16. To bring its continuous disclosure record up to date, the Applicant intends, within a reasonable time following completion of the Financing, to file the following documents on SEDAR once completed (collectively, the **Required Documents**):

(a) the 2008 Annual Statements;

(b) interim financial statements and related management's discussion and analysis for the three, six and nine month periods ended March 31, 2009, June 30, 2009 and September 30, 2009, respectively (the **2009 Interim Statements**);

(c) all certifications by the Chief Executive Officer and the Chief Financial Officer of the Applicant with respect to the Applicant's 2008 Annual Statements and 2009 Interim Statements required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*; and

(d) all other continuous disclosure documents required by applicable securities legislation to be filed by the Applicant.

17. Upon completion of the Financing, the Applicant will apply to the Commission and to the other securities regulatory authorities where cease trade orders are in effect for a full revocation of the Ontario Cease Trade Order and those other cease trade orders.

18. The Applicant has not been previously subject to a cease trade order by the Commission.

19. The Applicant is not in default of any requirements of the Cease Trade Order or the Act or the rules and regulations, subject to the deficiencies outlined in paragraph 5 above.

20. The Applicant is not considering, nor is it involved in any discussion relating to, a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.

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

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario Cease Trade Order is partially revoked solely to permit trades in securities of the Applicant (including, for greater certainty, acts in furtherance of trades in securities of the Applicant) that are necessary for and are in connection with the Financing, provided that:

(a) prior to the completion of the Financing, each Potential Investor:

(i) receives a copy of the Ontario Cease Trade Order,

(ii) receives a copy of this Order, and

(iii) receives written notice from the Applicant, and provides a written acknowledgement to the Applicant, that all of the Applicant's securities, including the Units, Common Shares and Warrants issued in connection with the Financing, will remain subject to the Ontario Cease Trade Order until it is revoked, and that the granting of this partial revocation Order does not guarantee the issuance of a full revocation in the future; and

(b) the Applicant undertakes to make available copies of the written acknowledgements to staff of the Commission on request; and

(c) this Order will terminate on the earlier of:

(i) the closing of the Financing; and

(ii) 120 days from the date hereof.

DATED at Toronto this 18th day of December, 2009.

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

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Revolution Technologies Inc.	07 Dec 09	18 Dec 09	18 Dec 09	
CVF Technologies Corporation	08 Dec 09	21 Dec 09	21 Dec 09	
Ra Resources Ltd.	08 Dec 09	21 Dec 09		22 Dec 09
ValGold Resources Ltd.	09 Dec 09	21 Dec 09		23 Dec 09
Production Enhancement Group Inc.	10 Dec 09	22 Dec 09	22 Dec 09	

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order

THERE ARE NO ITEMS FOR THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Sprylogics International Corp.	02 June 09	15 June 09	15 June 09		
Coalcorp Mining Inc.	07 Oct 09	19 Oct 09	19 Oct 09		
Garrison International Ltd.	29 Oct 09	10 Nov 09	10 Nov 09		
Toxin Alert Inc.	06 Nov 09	18 Nov 09	18 Nov 09		

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Chapter 5

Rules and Policies

5.1.1 NI 23-102 Use of Client Brokerage Commissions

NATIONAL INSTRUMENT 23-102 – USE OF CLIENT BROKERAGE COMMISSIONS

TABLE OF CONTENTS

PART 1 – DEFINITIONS

1.1 Definitions – In this Instrument,

"affiliated entity" has the meaning ascribed to it in section 1.3 of National Instrument 21-101 *Marketplace Operation*;

"client brokerage commissions" means brokerage commissions paid for out of, or charged to, a client account or investment fund managed by the adviser;

"managed account" has the meaning ascribed to it in section 1.1 of National Instrument 31-103 *Registration Requirements and Exemptions*;

"order execution goods and services" means

(a) order execution; and

(b) goods or services to the extent that they are directly related to order execution;

"research goods and services" means

(a) advice relating to the value of a security or the advisability of effecting a transaction in a security,

(b) an analysis, or report, concerning a security, portfolio strategy, issuer, industry, or an economic or political factor or trend, and

(c) a database, or software, to the extent that it supports goods or services referred to in paragraphs (a) and (b).

1.2 Interpretation – Security – For the purposes of this Instrument,

(a) in Alberta, British Columbia, New Brunswick and Saskatchewan, “security” includes an exchange contract; and

(b) in Québec, “security” includes a standardized derivative.

1.3 Interpretation – Adviser – For the purposes of this Instrument, "adviser" means

(a) a registered adviser; or

(b) a registered dealer that carries out advisory functions but is exempt from registration as an adviser.

PART 2 – APPLICATION

2.1 Application – This Instrument applies to an adviser or a registered dealer in relation to a trade in a security if brokerage commissions are charged by a dealer for an account, or portfolio, over which the adviser has discretion to make investment decisions without requiring the express consent of the client, including, for greater certainty,

(a) an investment fund; and

(b) a managed account.

PART 3 – COMMISSIONS ON BROKERAGE TRANSACTIONS

3.1 Advisers – (1) An adviser must not direct any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of goods or services by the dealer or a third party, other than any of the following:

(a) order execution goods and services;

(b) research goods and services.

(2) An adviser that directs any brokerage transactions involving client brokerage commissions to a dealer, in return for the provision of any order execution goods and services or research goods and services by the dealer or a third party, must ensure that:

(a) the goods or services are to be used to assist with investment or trading decisions, or with effecting securities transactions, on behalf of the client or clients; and

(b) a good faith determination is made that the client or clients receive reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid.

3.2 Registered Dealers – A registered dealer must not accept, or forward to a third party, client brokerage commissions, or any portion of those commissions, in return for the provision to an adviser of goods or services by the dealer or a third party, other than any of the following:

(a) order execution goods and services;

(b) research goods and services.

PART 4 – DISCLOSURE OBLIGATIONS

4.1 Disclosure – (1) An adviser must provide the following disclosure to a client if any brokerage transactions involving the client brokerage commissions of that client have been or might be directed to a dealer in return for the provision of any good or service by the dealer or a third party, other than order execution:

(a) before the adviser opens a client account or enters into a management contract or a similar agreement to advise an investment fund,

(i) a description of the process for, and factors considered in, selecting a dealer to effect securities transactions, including whether receiving goods or services in addition to order execution is a factor, and whether and how the process may differ for a dealer that is an affiliated entity;

(ii) a description of the nature of the arrangements under which order execution goods and services or research goods and services might be provided;

(iii) a list of each type of good or service, other than order execution, that might be provided; and

(iv) a description of the method by which the determination in paragraph 3.1(2)(b) is made; and

(b) at least annually,

(i) the information required to be disclosed under paragraph (a) other than subparagraph (a)(iii);

(ii) a list of each type of good or service, other than order execution, that has been provided;

(iii) the name of any affiliated entity that provided any good or service referred to in subparagraph (ii), separately identifying each affiliated entity and each type of good or service provided by each affiliated entity; and

(iv) a statement that the name of any other dealer or third party that provided a good or service referred to in subparagraph (ii), if that name was not disclosed under subparagraph (iii), will be provided to the client upon request.

(2) An adviser must maintain a record of the name of any dealer or third party that provided a good or service, other than order execution under section 3.1, and must provide that information to the client upon request.

PART 5 – EXEMPTION

5.1 Exemption – (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario only the regulator may grant an exemption.

(3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

PART 6 – EFFECTIVE DATE AND TRANSITION

6.1 Effective Date – This Instrument comes into force on June 30, 2010.

6.2 Transition – On or before December 31, 2010, an adviser must provide to a client, if the client was a client on June 30, 2010, the disclosure required under paragraph 4.1(1)(a) or (b).

COMPANION POLICY 23-102 CP – USE OF CLIENT BROKERAGE COMMISSIONS

TABLE OF CONTENTS

PART 1 – INTRODUCTION

1.1 Introduction – The purpose of this Companion Policy is to provide guidance regarding the various requirements of National Instrument 23-102 Use of Client Brokerage Commissions (the "Instrument"), including:

(a) a discussion of the general regulatory purposes for the Instrument;

(b) the interpretation of various terms and provisions in the Instrument; and

(c) guidance on compliance with the Instrument.

1.2 General – Registered dealers and advisers have a fundamental obligation to deal fairly, honestly, and in good faith with their clients. Registered dealers and advisers are also required to make reasonable efforts to achieve best execution when acting for clients, and have certain obligations to identify and respond to conflicts of interest. Directing brokerage transactions involving client brokerage commissions to a dealer in return for the provision of goods or services other than order execution should therefore also be evaluated in light of the duty to deal fairly, honestly, and in good faith with clients, the obligation to make reasonable efforts to achieve best execution, and any requirements pertaining to conflicts of interest. The Instrument is therefore intended to provide more specific parameters for obtaining such goods or services when client brokerage commissions are involved. The Instrument also sets out disclosure requirements for advisers. This Companion Policy provides guidance on (a) the characteristics of the types of goods and services that might be eligible, including some examples; (b) the obligations of advisers and registered dealers; and (c) the disclosure obligations.

PART 2 – APPLICATION OF THE INSTRUMENT

2.1 Application – (1) The Instrument applies to advisers and registered dealers. Section 1.3 of the Instrument indicates that for the purposes of the Instrument, adviser means a registered adviser or a registered dealer that carries out advisory functions but is exempt from registration as an adviser. The Instrument governs certain trades in securities where payment for the transaction is made with client brokerage commissions, as set out in section 2.1 of the Instrument. The reference to "client brokerage commissions" includes any brokerage commission or similar transaction-based fee charged for a trade where the amount paid for the security is clearly separate and identifiable (e.g., the security is exchange-traded, or there is some other independent pricing mechanism that enables the adviser to accurately and objectively determine the amount of commissions or fees charged).

(2) The limitation of the Instrument to trades for which a brokerage commission is charged is based on the practical difficulties in applying these requirements to transactions such as principal transactions where an embedded mark-up is charged. An adviser that obtains goods or services other than order execution in conjunction with such transactions is subject to its duty to deal fairly, honestly, and in good faith with clients, and its obligation to make reasonable efforts to achieve best execution when acting for clients. As a result, an adviser should consider the goods or services obtained in relation to its duty to deal fairly, honestly, and in good faith with its clients, and in its evaluation of best execution. In addition, an adviser should also consider any relevant conflict of interest provisions, given the incentives created for advisers to place their interests ahead of their clients when obtaining goods or services other than order execution in conjunction with such transactions.

PART 3 – ORDER EXECUTION GOODS AND SERVICES AND RESEARCH GOODS AND SERVICES

3.1 Definitions of Order Execution Goods and Services and Research Goods and Services – (1) Section 1.1 of the Instrument includes the definitions of order execution goods and services and research goods and services and provides the broad characteristics of both.

(2) The definitions do not specify what form (e.g., electronic or paper) the goods or services should take, as it is their substance that is relevant in assessing whether the definitions are met.

(3) An adviser's responsibilities include determining whether any particular good or service, or portion of a good or service, may be obtained through brokerage transactions involving client brokerage commissions. In making this determination, the adviser is required under Part 3 of the Instrument to ensure both that the good or service meets the definition of order execution goods and services or research goods and services and that it is to be used to assist with investment or trading decisions or with effecting securities transactions on behalf of the client or clients.

3.2 Order Execution Goods and Services – (1) Section 1.1 of the Instrument defines "order execution goods and services" as including the actual execution of the order itself, as well as goods or services to the extent that they are directly related to order execution. For the purposes of the Instrument, the term "order execution", as opposed to "order execution goods and services", refers to the entry, handling or facilitation of an order whether by a dealer or by an adviser (for example, through direct market access or as a subscriber to an alternative trading system), but not other goods or services provided to aid in the execution of trades.

(2) To be considered directly related to order execution, goods or services should generally be integral to the arranging and conclusion of the transactions that generated the commissions. A temporal standard should be applied to ensure that only goods or services used by an adviser that are directly related to the execution process are considered order execution goods and services. As a result, we generally consider that goods or services directly related to the execution process would be provided or used between the point at which an adviser makes an investment or trading decision and the point at which the resulting securities transaction is concluded. The conclusion of the resulting securities transaction occurs at the point that settlement is clearly and irrevocably completed.

(3) For example, order execution goods and services may include order management systems (to the extent they help arrange or effect a securities transaction), algorithmic trading software and market data (to the extent they assist in the execution of orders), and custody, clearing and settlement services that are directly related to an executed order that generated commissions.

3.3 Research Goods and Services – (1) The Instrument defines research goods and services as including advice, analyses or reports regarding various subject matter relating to investments, as well as databases and software to the extent that they support these goods or services. In order to be eligible, research goods and services generally should reflect the expression of reasoning or knowledge and be related to the subject matter referred to in the definition (i.e., securities, portfolio strategy, etc.). We would also consider databases and software that are used by advisers in support of or as an alternative to the provision by dealers of advice, analyses and reports to be research goods and services to the extent they relate to the subject matter referred to in the definition. Additionally, a general characteristic of research goods and services is that, in order to link these to order execution, they should be provided or used before an adviser makes an investment or trading decision.

(2) For example, traditional research reports, publications marketed to a narrow audience and directed to readers with specialized interests, seminars and conferences (i.e., fees, but not incidental expenses such as travel, accommodations and entertainment costs), and trading advice, such as advice from a dealer as to how, when or where to trade an order (to the extent it is provided before an order is transmitted), would generally be considered research goods and services. Databases and software that could be eligible as research goods and services could include quantitative analytical software, market data from feeds or databases, post-trade analytics from prior transactions (to the extent they are used to aid in a subsequent investment or trading decision), and possibly order management systems (to the extent they provide research or assist with the research process).

3.4 Mixed-Use Items – (1) Mixed-use items are those goods or services that contain some elements that may meet the definitions of order execution goods and services or research goods and services, and other elements that either do not meet the definitions or that would not meet the requirements of Part 3 of the Instrument. Where mixed-use items are obtained by an adviser through brokerage transactions involving client brokerage commissions, the adviser should make a reasonable allocation of those commissions paid according to the use of the goods or services. For example, client brokerage commissions might be involved when paying for the portion of order management systems used in the order execution process, but an adviser should use its own funds to pay for any portion of the systems used for compliance, accounting or recordkeeping purposes.

(2) For purposes of making a reasonable allocation, an adviser should make a good faith estimate supported by a fact-based analysis of how the good or service is used, which may include inferring relative costs from relative benefits. Factors to consider might include the relative utility derived from, or the time for which the good or service is used, eligible and ineligible uses.

(3) Advisers are expected to keep adequate books and records concerning the allocations made.

3.5 Non-Permitted Goods and Services – We consider certain goods and services to be clearly outside the scope of the permitted goods and services under the Instrument because they are not sufficiently linked to the securities transactions that generated the commissions. Goods and services that relate to overhead associated with the operation of an adviser's business rather than to the provision of services to its clients would not meet the requirements of Part 3 of the Instrument. Examples of non-permitted goods and services include office furniture and equipment (including computer hardware), trading surveillance or compliance systems, costs associated with correcting error trades, portfolio valuation and performance measurement services, computer software that assists with administrative functions, legal and accounting services relating to the management of an adviser's own business or operations, memberships, marketing services, and services provided by the adviser's personnel (e.g. payment of salaries, including those of research staff).

PART 4 – OBLIGATIONS OF ADVISERS AND REGISTERED DEALERS

4.1 Obligations of Advisers – (1) Subsection 3.1(1) of the Instrument restricts an adviser from directing any brokerage transactions involving client brokerage commissions to a dealer in return for the provision of goods or services by the dealer or a third party, other than order execution goods and services or research goods and services, as defined in the Instrument. This applies when brokerage transactions involving client brokerage commissions are used to obtain order execution goods and services or research goods and services under both formal and informal arrangements, including informal arrangements for the receipt of these goods and services from a dealer offering proprietary, bundled services. This would also apply when brokerage transactions involving client brokerage commissions are directed to any dealer, including where the adviser has direct market access or is a subscriber to an alternative trading system.

(2) Subsection 3.1(2) of the Instrument requires an adviser that directs any brokerage transaction involving client brokerage commissions to a dealer, in return for the provision of order execution goods and services or research goods and services by the dealer or a third party, to ensure that certain criteria are met. The criteria included under paragraph 3.1(2)(a) requires the adviser to ensure that the goods or services acquired are to be used to assist with investment or trading decisions, or with effecting securities transactions, on behalf of the adviser's client or clients. The goods or services should therefore be used in a manner that provides appropriate assistance to the adviser in making these decisions, or in effecting such transactions. A good or service that meets the definition of order execution goods and services or research goods and services, but is not to be used to assist the adviser with investment or trading decisions, or with effecting securities transactions, should not be obtained through brokerage transactions involving client brokerage commissions. The adviser should be able to demonstrate how the goods or services obtained under the Instrument are used to provide appropriate assistance.

(3) Paragraph 3.1(2)(b) of the Instrument requires the adviser to ensure that a good faith determination is made that the client or clients receive reasonable benefit considering both the use of the goods or services and the amount of client brokerage commissions paid. Benefit to the client is generally derived from the use of the goods and services (i.e., the assistance provided in relation to investment or trading decisions made, or securities transactions effected, on behalf of the client or clients), and is generally relative to the amount of client brokerage commissions paid. The determination required under paragraph 3.1(2)(b) can be made either with respect to a particular transaction or the adviser's overall responsibilities for client accounts.

(4) Also for the purposes of subsection 3.1(2) of the Instrument, a specific order execution good or service or research good or service may be used to benefit more than one client, and may not always be used to directly benefit each particular client whose brokerage commissions paid for the brokerage transactions through which the particular good or service was obtained. However, the adviser should have adequate policies and procedures in place, and apply those

policies and procedures, so that, over time, all clients whose brokerage commissions may have been involved with such transactions receive fair and reasonable benefit.

(5) An adviser that, by virtue of paying client brokerage commissions on brokerage transactions, is provided with access to or receives goods or services on an unsolicited basis should consider whether or how usage of those goods or services has affected its obligations under the Instrument as part of its process for assessing compliance with the Instrument. For example, if an adviser considers unsolicited goods or services as a factor when selecting dealers or allocating brokerage transactions to dealers, the adviser should include these goods or services when assessing compliance with the obligations of the Instrument, and should include these in its disclosure.

4.2 Obligations of Registered Dealers – Section 3.2 of the Instrument indicates that a registered dealer must not accept, or forward to a third party, client brokerage commissions, or any portion of those commissions, in return for the provision to an adviser of goods or services by the dealer or a third party, other than order execution goods and services and research goods and services. A dealer may forward to a third party, on the instructions of an adviser, any portion of those commissions in return for order execution goods and services or research goods and services provided to the adviser by that third party. In either situation, the dealer would need to make an assessment as to whether or not the goods or services being paid for meet the definitions of order execution goods and services or research goods and services, in order to be meeting its obligations.

PART 5 – DISCLOSURE OBLIGATIONS

5.1 Disclosure Recipient – Part 4 of the Instrument requires an adviser to provide certain disclosure to a client if any brokerage transactions involving the client brokerage commissions of that client have been or might be directed to a dealer in return for the provision of any goods or services by the dealer or a third party, other than order execution. The recipient of the disclosure should typically be the party with whom the contractual arrangement to provide advisory services exists. For example, for an adviser to an investment fund, the client would typically be considered the fund for purposes of the disclosure requirements.

5.2 Timing of Disclosure – Part 4 of the Instrument requires an adviser to make certain initial and periodic disclosure to its clients. Initial disclosure should be made before an adviser opens a client account or enters into a management contract or a similar agreement to advise an investment fund and then periodic disclosure should be made at least annually. The period of time chosen for the periodic disclosure should be consistent from period to period.

5.3 Adequate Disclosure – (1) For the purposes of the disclosure made under section 4.1 of the Instrument, the information disclosed by an adviser may be client-specific, based on firm-wide information, or based on some other level of customization, so long as the information disclosed relates to those clients to whom the disclosure is directed. In any case, the disclosure required to be made by the adviser under section 4.1 of the Instrument would also reflect information pertaining to the processes, practices, arrangements, types of goods and services, etc., associated with brokerage transactions involving client brokerage commissions that have been or might be directed to dealers by its sub-advisers in return for the provision of any goods and services other than order execution.

(2) Also for the purposes of the disclosure under section 4.1 of the Instrument the use of the phrase “might be” in the requirement to make disclosure in situations where brokerage transactions involving client brokerage commissions have been or might be directed relates primarily to the disclosure to be made on an initial basis under paragraph 4.1(1)(a) of the Instrument. It is intended to require that the initial disclosure be made if it is or becomes reasonably foreseeable that brokerage transactions involving a new client’s brokerage commissions could be directed in such a manner – for example, if brokerage transactions involving other existing clients’ brokerage commissions are directed in such a manner, and it is likely that trades to be made on behalf of the new client will be aggregated with those made on behalf of the other existing clients.

(3) For the purposes of subparagraph 4.1(1)(a)(ii) of the Instrument, disclosure of the nature of the arrangements under which order execution goods and services or research goods and services might be provided should include whether goods and services are provided directly by a dealer or by a third party, and a description of the general mechanics of how client brokerage commissions are charged and might translate into payment for order execution goods and services and research goods and services.

(4) For the purposes of subparagraphs 4.1(1)(a)(iii) and 4.1(1)(b)(ii) of the Instrument, disclosure of each type of good or service should be sufficient to provide adequate description of the goods or services received (e.g., algorithmic trading software, research reports, trading advice, etc.).

(5) For purposes of subparagraph 4.1(1)(a)(iv), to the extent that more than one method is used, the description should be of those methods.

5.4 **Form of Disclosure –** Part 4 of the Instrument does not specify the form of disclosure. The adviser may determine the form of disclosure based on the needs of its clients, but the disclosure should be provided in conjunction with other initial and periodic disclosure relating to the management and performance of the account or portfolio. For managed accounts and portfolios, the initial disclosure could be included as a supplement to the management contract or similar agreement or the account opening form, and the periodic disclosure could be provided as a supplement to a statement of portfolio.

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/01/2009	2	6990371 Canada Ltd. - Units	350,000.00	NA
11/30/2009	2	ABC Fundamental Value Fund - Units	530,000.00	38,446.47
11/30/2009	1	AirIQ Inc. - Units	200,000.00	13,333,333.00
12/07/2009	26	Alpha Bank A.E. - Common Shares	1,536,329,364.55	123,292,996.00
11/27/2009	38	Amato Exporation Ltd. - Units	914,500.00	1,775,000.00
11/27/2009	49	Argentex Mining Corporation - Units	4,172,569.80	5,960,814.00
11/30/2009	1	Atikwa Resources Inc. - Common Shares	500,000.00	6,666,666.00
12/04/2009	1	Atlas VI Capital Limited. - Notes	7,827,000.00	5,028.91
10/05/2009 to 10/13/2009	2	Bison Prime Mortgage Fund - Trust Units	195,000.00	19,500.00
11/23/2009	4	BRC DiamondCore Ltd. - Common Shares	8,663,466.00	40,067,330.00
12/01/2009	70	Bridgeport Ventures Inc. - Units	12,590,000.00	12,590,000.00
11/27/2009	11	Britanniaca Resources Corp. - Common Shares	340,000.00	6,800,000.00
11/13/2009	3	Caldera Resources Inc. - Receipts	94,000.00	N/A
11/23/2009	3	CardioComm Solutions Inc. - Common Shares	162,500.00	3,250,000.00
12/03/2009	55	Cascades Inc. - Notes	714,544,966.00	N/A
11/25/2009	10	CDP Financial Inc. - Notes	224,783,713.00	N/A
09/28/2009	22	CEMEX, S.A.B. de C.V. - Certificate	29,197,000.00	N/A
11/26/2009	23	Challenger Deep Capital Corp. - Units	300,000.00	3,529,412.00
11/19/2009 to 11/23/2009	42	Colonia Energy Corp. - Common Shares	2,500,000.02	17,857,143.00
11/19/2009 to 11/23/2009	17	Colonia Energy Corp. - Units	4,999,999.90	34,714,285.00
11/24/2009	58	Constantine Metal Resources Ltd. - Units	1,400,000.00	7,000,000.00
10/22/2009	49	Copper Fox Metals Inc. - Units	1,999,999.96	23,188,406.00
11/27/2009	8	Cornerstone Capital Resources Inc. - Units	1,000,000.00	6,250,000.00
11/27/2009	1	Cypresse Development Corp. - Flow-Through Shares	499,999.95	3,333,333.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
11/30/2009	2	Development Notes Limited Partnership - Units	883,742.00	883,742.00
11/25/2009	11	Dianor Resources Inc. - Common Shares	580,449.66	8,292,138.00
11/30/2009	1	EDP Energias do Brasil S.A. - Common Shares	12,047,805.00	14,091,000.00
12/04/2009	176	Etna Resources Inc. - Units	2,954,640.30	9,848,801.00
11/24/2009	100	Evolving Gold Corp. - Units	11,111,200.00	12,345,778.00
11/20/2009 to 11/24/2009	14	Excalibur Resources Ltd. - Common Shares	180,000.00	N/A
10/31/2008 to 09/30/2009	1	Excel Income and Growth Fund - Units	201,636.53	25,582.78
10/31/2008 to 09/30/2009	1	Excel Income and Growth Fund - Units	102,735.43	13,027.91
11/26/2008 to 07/29/2009	1	Excel India Fund - Units	13,141,622.77	1,212,923.74
12/18/2008	1	Excel Latin America Fund - Units	1,000,000.00	200,000.00
10/31/2008 to 09/30/2009	1	Excel Money Market Fund - Units	11,097.71	1,109.77
11/25/2009 to 12/01/2009	4	First Leaside Fund - Trust Units	249,700.00	249,700.00
11/25/2009 to 12/01/2009	5	First Leaside Fund - Trust Units	70,146.00	70,146.00
11/27/2009 to 12/01/2009	4	First Leaside Premier Limited Partnership - Units	509,790.90	481,064.00
12/01/2009	3	First Leaside Progressive Limited Partnership - Units	1,450,000.00	1,450,000.00
12/01/2009	1	First Leaside Visions II Limited Partnership - Units	100,000.00	100,000.00
11/26/2009 to 12/01/2009	2	First Leaside Wealth Management Inc. - Preferred Shares	71,130.00	71,130.00
12/01/2009	8	First Place Tower Brookfield Properties Inc. - Bond	310,000,000.00	1.00
11/26/2009	102	Focus Ventures Ltd. - Units	6,000,000.00	8,000,000.00
11/30/2009	265	ForceLogix Technologies Inc. - Units	7,236,187.50	1,361,875.00
09/30/2009 to 11/17/2009	8	Forest Gate Energy Inc. - Units	57,000.00	N/A
11/30/2009	1	Freewest Resources Canada Inc. - Common Shares	4,145,064.00	6,908,440.00
11/30/2009	49	GDC Investments Inc. - Common Shares	1,533,900.00	15,339.00
11/30/2009	2	Georgian Capital Partners Corporation - Units	6,000,000.00	60,000.00
12/02/2009	1	Gingro Exploration Inc. - Common Shares	67,500.00	450,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/07/2009	1	Golden Sunset Trail Inc. - Debentures	30,000.00	N/A
12/03/2009	11	Grandview Gold Inc. - Units	1,999,999.88	26,666,665.00
11/18/2009	1	Gray Capital Energy Fund L.P. - Limited Partnership Interest	500,000.00	500,000.00
11/26/2009	38	Halo Resources Ltd. - Flow-Through Shares	997,500.00	19,950,000.00
11/04/2009	7	Halo Resources Ltd. - Flow-Through Shares	849,500.00	N/A
12/02/2009 to 12/03/2009	50	Intercontinental Potash Corp. - Units	7,136,760.00	N/A
11/24/2009	1	Ivory Offshore Flagship Fund Ltd. - Units	261,675.00	N/A
12/02/2009	1	Jaguar Mining Inc. - Common Shares	40,825,200.00	3,377,354.00
11/27/2009	84	KingSett Canadian Real Estate Income Fund LP - Units	74,670,000.00	74,670.00
11/30/2009	1	Lions Peak International Innovation Fund L.P. - Limited Partnership Units	25,000.00	25.00
11/30/2009	3	Macusani Yellowcake Inc. - Common Shares	2,830,000.00	14,150,000.00
12/01/2009	18	Magellan Fuel Solutions Inc. - Units	900,000.00	3,600,000.00
12/02/2009	1	Mantella Venture Partners L.P. - Units	20,000,000.00	NA
11/30/2009	6	Marketvision Direct Inc. - Units	387,500.00	N/A
11/24/2009	70	Midway Energy Ltd. - Common Shares	13,208,800.00	6,952,000.00
12/01/2009	1	Millennium International Ltd. - Common Shares	1,564,800.00	N/A
11/25/2009 to 12/04/2009	19	Mustang Minerals Corp. - Flow-Through Shares	1,267,955.12	9,753,499.00
12/01/2009	12	New World Lenders Corp. - Bonds	763,479.00	N/A
11/27/2009 to 12/04/2009	25	Newport Canadian Equity Fund - Units	631,757.31	5,312.27
11/27/2009 to 12/04/2009	12	Newport Fixed Income Fund - Units	910,040.03	8,416.38
11/27/2009 to 12/04/2009	18	Newport Global Equity Fund - Units	371,757.31	6,455.55
11/27/2009 to 12/04/2009	29	Newport Yield Fund - Units	612,349.37	5,614.45
12/09/2009	231	NexGen Financial Limited Partnership - Units	15,062,000.00	1,506,200.00
11/20/2009	89	OPTI Canada Inc. - Notes	441,218,312.12	N/A
09/22/2009	91	Parlane Resource Corp. - Common Shares	1,020,000.00	6,000,000.00
11/20/2009	10	Pele Mountain Resources Inc. - Units	1,045,799.64	5,809,998.00
11/26/2009	11	Peregrine Metals Ltd. - Warrants	9,919,100.00	N/A

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
12/03/2009	6	Petra Diamonds Limited - Common Shares	83,875,200.00	80,000,000.00
12/01/2009	53	Petro Uno Resources Ltd. - Flow-Through Shares	2,000,000.00	4,000,000.00
11/30/2009	2	Radiant Energy Corporation - Debentures	374,000.00	N/A
11/24/2009	5	Red Pine Exploration Inc. - Flow-Through Shares	1,000,000.00	1,111,111.00
11/25/2009	49	Rochester Resources Ltd. - Units	12,428,994.00	82,859,960.00
11/18/2009	3	Royal Bank of Canada - Notes	25,000,000.00	250,000.00
12/01/2009	3	SandRidge Energy, Inc. - Common Shares	54,886,142.40	5,945,000.00
11/30/2009	1	Semcan Inc. - Common Shares	900,000.00	2,000,000.00
12/01/2009	4	Stacey Muirhead Limited Partnership - Limited Partnership Units	1,031,618.00	28,293.66
12/01/2009	3	Stacey Muirhead RSP Fund - Trust Units	157,023.54	16,105.97
11/26/2009	48	Starcore International Mines Ltd. - Units	2,077,500.00	N/A
11/30/2009	20	Strait Gold Corporation - Units	243,900.00	2,439,000.00
11/16/2009	28	Strategic Oil & Gas Ltd. - Flow-Through Units	379,687.50	876,001.00
11/16/2009	24	Strategic Oil & Gas Ltd. - Units	481,800.55	843,750.00
11/30/2009	1	Sturgeon 2 Limited Partnership - Loan	25,000.00	1.00
11/16/2009	38	St. Eugene Mining Corporation Limited - Common Shares	375,000.00	15,000,000.00
11/24/2009	2	SVB Financial Group - Common Shares	7,147,140.00	N/A
11/25/2009	8	TD Ameritrade Holding Corporation - Notes	65,023,665.00	N/A
11/24/2009	1	The Bank of Montreal - Notes	7,762,000.00	77,620.00
12/01/2009	4	The Investment Partners Fund - Trust Units	384,126.99	24,786.70
11/30/2009	1	The McElvaine Investment Trust - Trust Units	1,000,000.00	6,498.78
11/26/2009	3	Tree Island Wire Income Fund - Debentures	9,750,000.00	N/A
11/30/2009	1	Trelawney Mining and Exploration Inc. - Common Shares	0.00	N/A
12/01/2009	10	Truceclaim Exploration Inc. - Units	1,000,000.00	4,000,000.00
06/04/2009	1	UBS (LUX) Equity Fund - China - Units	11,059.95	59.94
04/14/2009 to 07/15/2009	3	UBS (LUX) Equity Fund - Greater China - Units	104,999.23	N/A
11/20/2009	7	Unsynced Inc. - Warrants	375,000.00	N/A
11/24/2009	37	Victoria Gold Corp. - Warrants	14,999,998.86	N/A

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
11/24/2009	30	Walton AZ Verona Investment Corporation - Common Shares	543,140.00	54,314.00
11/24/2009	8	Walton AZ Verona Limited Partnership - Units	788,847.32	74,829.00
12/02/2009	3	Western Plains Petroleum Ltd. - Units	285,000.00	3,352,940.00
12/01/2009	47	Westpac Banking Corporation - Bonds	400,000,000.00	N/A
11/10/2009	1	Wildcat Exploration Ltd. - Common Shares	1,000,000.00	8,333,333.00
12/01/2009	2	Wimberly Apartments Limited Partnership - Units	146,722.18	198,225.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Ansar Financial and Development Corporation
Type and Date:
Amended and Restated Preliminary Prospectus dated December 18, 2009
Receipted on December 18, 2009
Offering Price and Description:
$11,850,000.00 to $15,000,000.00 - 11,850,000 to 15,000,000 Common Shares Price: $1.00 per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
Pervez Nasim
Mohammed Jalaluddin
Project #1460020

Issuer Name:
ARC Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated December 16, 2009
NP 11-202 Receipt dated December 16, 2009
Offering Price and Description:
$252,200,000.00 - 13,000,000 Trust Units Price$19.40 per Trust Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
FirstEnergy Capital Corp.
National Bank Financial Inc.
Peters & Co. Limited
Canaccord Financial Ltd.
Macquarie Capital Markets Canada Ltd.
Raymond James Ltd.
Thomas Weisel Partners Canada Inc.
UBS Securities Canada Inc.
Promoter(s):
-
Project #1516050

Issuer Name:
Bank of Montreal
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated December 18, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
$8,000,000,000.00:
Debt Securities (subordinated indebtedness)
Common Shares
Class A Preferred Shares
Class B Preferred Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1516783

Issuer Name:
Canadian Life Companies Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated December 18, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
Warrants to Subscribe for up to • Units (each Unit consisting of consisting of one Class A Share and one Preferred Share) at a Subscription Price of $•
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1516781

Issuer Name:
Great Western Minerals Group Ltd.
Principal Regulator - Saskatchewan
Type and Date:
Preliminary Short Form Prospectus dated December 16, 2009
NP 11-202 Receipt dated December 17, 2009
Offering Price and Description:
$2,510,168.08 - 9,861,374 Common Shares and 4,482,443 Warrants issuable upon the exercise of outstanding Special Warrants - 4,482,443 Common Shares issuable upon the exercise of the Warrants and 591,592 Common Shares issuable upon the exercise of 591,592 broker warrants
Price: $0.28 per Special Warrant
Underwriter(s) or Distributor(s):
Pope & Company Limited
Promoter(s):
-
Project #1516131

Issuer Name:
HORIZONS ALPHAPRO S&P/TSX 60 130/30 STRATEGY ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 15, 2009
NP 11-202 Receipt dated December 17, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
AlphaPro Management Inc.
Project #1516488

Issuer Name:
Horizons BetaPro COMEX® Gold Bullion Bull Plus ETF
Horizons BetaPro COMEX®Gold Bullion Bear Plus ETF
Horizons BetaPro NYMEX® Crude Oil Inverse ETF
Horizons BetaPro NYMEX® Long Natural Gas/Short Oil Spread ETF
Horizons BetaPro NYMEX® Long Oil/Short Natural Gas Spread ETF
Horizons BetaPro NYMEX® Natural Gas Inverse ETF
Horizons BetaPro S&P 500® Inverse ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 15, 2009
NP 11-202 Receipt dated December 17, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1516465

Issuer Name:
Jomar Capital Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary CPC Prospectus dated December 14, 2009
NP 11-202 Receipt dated December 16, 2009
Offering Price and Description:
Minimum Offering: $400,000.00 (4,000,000 Common Shares) ; Maximum Offering: $600,000.00 (6,000,000 Common shares) Price: $0.10 per common share
Underwriter(s) or Distributor(s):
Research Capital Corporation
Promoter(s):
-
Project #1515861

Issuer Name:
Manitou Gold Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 17, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
$2,000,000.00 - 8,000,000 Units Price: $0.25 per Unit
Underwriter(s) or Distributor(s):
Canaccord Financial Ltd.
Promoter(s):
Richard Murphy
Project #1517014

Issuer Name:
MSP 2010 Resource Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated December 15, 2009
NP 11-202 Receipt dated December 17, 2009
Offering Price and Description:
Maximum: $25,000,000.00 (1,000,000 Units) Minimum: $10,000,000.00 (400,000 Units)
Pric: $25.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Market Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Dundee Securities Corporation
Blackmont Capital Inc.
Canaccord Financial Ltd.
M. Partners Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Wellington West Capital Markets Inc.
Desjardins Securities Inc.
Promoter(s):
MSP 2010 GP Inc.
Mackenzie Financial Corporation
Project #1516502

Issuer Name:
Peregrine Metals Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated December 18, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
* Units - $ * per Unit
Each Unit consisting of one Common Share and one-half of one Common Share Purchase Warrant
-and-
Distribution of 9,919,100 Common Shares and 4,959,550 Common Share Purchase Warrants
issuable upon the exchange of 9,919,100 previously issued Special Warrants
Price: $ * per Unit and $1.00 per Special Warrant
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Dundee Securities Corporation
Canaccord Financial Ltd.
Promoter(s):
-
Project #1517175

Issuer Name:
Pristine Power Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated December 18, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
$10,000,008.00 - 4,166,670 Units Price: $2.40 per Unit (Each Unit consisting of a Unit Share and one-half of one Warrant)
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Haywood Securities Inc.
Promoter(s):
-
Project #1517066

Issuer Name:
Timbercreek Mortgage Investment Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated December 17, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
$180,000,000.00 of Class A Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Timbercreek Asset Management Inc.
Project #1516628

Issuer Name:
Uranium Investment Corporation
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated December 16, 2009
NP 11-202 Receipt dated December 17, 2009
Offering Price and Description:
Minimum C$75,000,000.00 - * Common Shares; Maximum C$150,000,000.00 - * Common Shares
Price: $ * per Common Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
GMP Securities L.P.
Raymond James Ltd.
Promoter(s):
NuCore Energy, LLC
Project #1498016

Issuer Name:
Wells Fargo Financial Canada Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated December 16, 2009
NP 11-202 Receipt dated December 16, 2009
Offering Price and Description:
$7,000,000,000.00 - Medium Term Notes (unsecured) Unconditionally guaranteed as to payment of principal, premium (if any), and interest by Wells Fargo & Company
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #1515857

Issuer Name:
Abacus Mining & Exploration Corp
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated December 17, 2009
NP 11-202 Receipt dated December 17, 2009
Offering Price and Description:
$6,751,500.00 - (18,882,500 Units) $0.20 Per Unit; and (11,900,000 Flow-Through Shares) $0.25 Per Flow-Through Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #1506136

Issuer Name:
Brookfield Properties Corporation
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated December 15, 2009
NP 11-202 Receipt dated December 16, 2009
Offering Price and Description:
US$1,000,000,000.00:
Class AAA Preference Shares
Common Shares
Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1513174

Issuer Name:
Chartwell Seniors Housing Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 17, 2009
NP 11-202 Receipt dated December 17, 2009
Offering Price and Description:
$70,060,000.00 - 11,300,000 Units Price: $6.20 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.
Blackmont Capital Inc.
Canaccord Financial Ltd.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #1513837

Issuer Name:
Forbes Energy Services Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated December 17, 2009
NP 11-202 Receipt dated December 17, 2009
Offering Price and Description:
CDN$15,000,000.00 - 18,750,000 Common Shares Price: CDN$0.80 per Offered Share
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Promoter(s):
John Crisp
Charles Forbes
Janet Forbes
Project #1512401

Issuer Name:
InnVest Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 18, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
$50,000,000.00 - 6.75% Convertible Unsecured Subordinated Debentures
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
TD Securities Inc.
Canaccord Financial Ltd.
Blackmont Capital Inc.
Promoter(s):
-
Project #1514882

Issuer Name:

iShares Conservative Core Portfolio Builder Fund
iShares Growth Core Portfolio Builder Fund
iShares Global Completion Portfolio Builder Fund
iShares Alternatives Completion Portfolio Builder Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 11, 2009 to the Long Form Prospectus dated November 11, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Blackrock Asset Management Canada Limited
Promoter(s):
-
Project #1483407

Issuer Name:
iShares CDN S&P®/TSX® 60 Index Fund
iShares CDN S&P/TSX Capped Composite Index Fund
iShares CDN S&P/TSX Completion Index Fund
iShares CDN S&P/TSX SmallCap Index Fund
iShares CDN S&P/TSX Capped Energy Index Fund
iShares CDN S&P/TSX Capped Financials Index Fund
iShares CDN S&P/TSX Capped Information Technology Index Fund
iShares CDN S&P/TSX Capped REIT Index Fund
iShares CDN S&P/TSX Capped Materials Index Fund
iShares CDN S&P/TSX Income Trust Index Fund
iShares CDN Dow Jones Canada Select Dividend Index Fund
iShares CDN Dow Jones Canada Select Growth Index Fund
iShares CDN Dow Jones Canada Select Value Index Fund
iShares CDN Jantzi Social Index Fund
iShares CDN DEX Short Term Bond Index Fund
iShares CDN DEX All Corporate Bond Index Fund
iShares CDN DEX All Government Bond Index Fund
iShares CDN DEX Long Term Bond Index Fund
iShares CDN DEX Universe Bond Index Fund
iShares CDN DEX Real Return Bond Index Fund
iShares CDN S&P/TSX Global Gold Index Fund
iShares CDN S&P 500 Hedged to Canadian Dollars Index Fund
iShares CDN MSCI EAFE® 100% Hedged to CAD Dollars Index Fund
iShares CDN Russell 2000® Index – Canadian Dollar Hedged Index Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 11, 2009 to the Long Form Prospectus dated April 17, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Blackrock Asset Management Canada Limited
Promoter(s):
-
Project #1386516

Issuer Name:
iShares CDN MSCI Emerging Markets Index Fund
iShares CDN MSCI World Index Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 11, 2009 to the Long Form Prospectus dated June 12, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Blackrock Asset Management Canada Limited
Promoter(s):
-
Project #1424512

Issuer Name:
MADALENA VENTURES INC
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated December 18, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
$6,000,000.00 (Minimum Offering) $10,000,050.00 (Maximum Offering) A Minimum of 40,000,000 Units and a Maximum of 66,667,000 Units
Underwriter(s) or Distributor(s):
Byron Securities Limited
Union Securities Ltd.
Promoter(s):
-
Project #1511325

Issuer Name:
Mantra Resources Limited
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 16, 2009
NP 11-202 Receipt dated December 17, 2009
Offering Price and Description:
Cdn$52,000,000.00 - 13,000,000 Ordinary Shares Cdn$52,000,000
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
GMP Securities L.P.
Dundee Securities Corporation
Promoter(s):
-
Project #1513052

Issuer Name:
Meritas Money Market Fund
Meritas Canadian Bond Fund
Meritas Balanced Portfolio Fund
Meritas Monthly Dividend and Income Fund
Meritas Jantzi Social Index Fund
Meritas U.S. Equity Fund
Meritas International Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 7, 2009 to the Simplified Prospectuses and Annual Information Form dated February 6, 2009
NP 11-202 Receipt dated December 17, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Meritas Financial Inc.
Promoter(s):
Meritas Financial Inc.
Project #1354738

Issuer Name:
Pethealth Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated December 16, 2009
NP 11-202 Receipt dated December 16, 2009
Offering Price and Description:
$5,750,000.00 - 3,965,517 Common Shares PRICE: $1.45 PER SHARE
Underwriter(s) or Distributor(s):
Industrial Alliance Securities Inc.
Promoter(s):
-
Project #1513423

Issuer Name:
RBC Emerging Markets Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated December 17, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
Series A, Advisor Series, Series D, Series F and Series O Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Royal Mutual Fund Inc.
RBC Direct Investing Inc.
Royal Mutual Funds Inc./RBC Direct Investing Inc.
Promoter(s):
RBC Asset Mangement Inc.
Project #1502637

Issuer Name:
TransAlta Corporation
Principal Regulator - Alberta
Type and Date:
Final Shelf Prospectus (NI 44-102) dated December 18, 2009
NP 11-202 Receipt dated December 18, 2009
Offering Price and Description:
$1,000,000,000.00 - Medium Term Note Debentures (Unsecured)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #1513525

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Brookfield Investment Funds Management Inc. To: Brookfield Investment Management (Canada) Inc.	Exempt Market Dealer And Portfolio Manager	December 15, 2009
New Registration	Gyrus Investment Management Inc.	Portfolio Manager	December 16, 2009
Suspended pursuant to section 29 because the company resigned its membership in the MFDA effective December 16, 2009.	Fidelity Retirement Services Company of Canada Limited	Mutual Fund Dealer	December 16, 2009
Change of Category	CIBC Asset Management Inc.	From: Mutual Fund Dealer, Portfolio Manager and Commodity Trading Manager To: Portfolio Manager and Commodity Trading Manager.	December 17, 2009
Change of Category	NorthRoad Capital Management LLC	From: Exempt Market Dealer and International Adviser To: *Portfolio Manager (*With terms and conditions set out in OSC Rule 35-502)	December 18, 2009

Type	Company	Category of Registration	Effective Date
Change of Category	Nexgen Financial Limited Partnership	From: Mutual Fund Dealer Exempt Market Dealer Commodity Trading Manager Portfolio Manager To: Mutual Fund Dealer Commodity Trading Manager Portfolio Manager	December 18, 2009
Voluntary Surrender of Registration	H. Redlick Consulting Inc.	Exempt Market Dealer	December 21, 2009

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Hearing Panel to Consider Pre-Hearing Motion in the Matter of ASL Direct Inc. and Adrian S. Leemhuis

NEWS RELEASE
For immediate release

MFDA HEARING PANEL TO CONSIDER PRE-HEARING MOTION IN THE MATTER OF ASL DIRECT INC. AND ADRIAN S. LEEMHUIS

December 17, 2009 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of ASL Direct Inc. and Adrian Samuel Leemhuis by Notice of Hearing dated October 17, 2008.

A pre-Hearing motion in this matter will take place by teleconference on December 18, 2009 concerning compliance with the terms of the Hearing Panel's Order dated September 15, 2009. The appearance will commence at 1:00 p.m. (Eastern), or as soon thereafter as required, in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario and will be open to the public, except as may be required for the protection of confidential matters.

A copy of the Notice of Hearing is available on the MFDA website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 141 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Marco Wynnyckyj
Hearings Coordinator
416-945-5146 or mwynnyckyj@mfda.ca

13.1.2 MFDA Sets Date for Carmine Mazzotta Hearing in Toronto, Ontario

NEWS RELEASE
For immediate release

MFDA SETS DATE FOR CARMINE MAZZOTTA HEARING IN TORONTO, ONTARIO

December 17, 2009 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding against Carmine P. Mazzotta by Notice of Hearing dated June 29, 2009.

As previously announced, an appearance by teleconference took place today before a three-member Hearing Panel of the MFDA's Central Regional Council.

The hearing of this matter on its merits has been scheduled for January 22, 2010 and will commence at 10:00 a.m. (Eastern), or as soon thereafter as required, in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario and will be open to the public, except as may be required for the protection of confidential matters.

A copy of the Notice of Hearing is available on the MFDA website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 141 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Marco Wynnyckyj
Hearings Coordinator
416-945-5146 or mwynnyckyj@mfda.ca

13.1.3 MFDA Issues Notice of Hearing Regarding Luc Laverdiere

NEWS RELEASE
For immediate release

MFDA ISSUES NOTICE OF HEARING REGARDING LUC LAVERDIERE

December 17, 2009 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against Luc Marc Andre Laverdiere (the "Respondent").

MFDA staff alleges in its Notice of Hearing that the Respondent engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

> **Allegation 1:** Commencing in the fall of 2006 and continuing during 2007, the Respondent engaged in securities related business that was not carried on for the account of the Member and through the facilities of the Member by recommending, referring and facilitating purchases by clients and other individuals of an investment product outside the Member, contrary to MFDA Rule 1.1.1(a).
>
> **Allegation 2:** Commencing in the fall of 2006 and continuing during 2007, the Respondent had and continued in another gainful occupation that was not disclosed to and approved by the Member by recommending, referring and facilitating purchases of an investment product outside the Member, contrary to MFDA Rule 1.2.1(d).
>
> **Allegation 3:** Commencing in the fall of 2006 and continuing during 2007, the Respondent failed to comply with the policies and procedures of the Member in respect of the sale of non-mutual fund securities and off-book transactions by recommending, referring and facilitating purchases by clients and other individuals of an investment product that had not been approved for sale by the Member, contrary to MFDA Rules 1.1.2 and 2.5.1, and 2.1.1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA's Pacific Regional Council in the hearing room located at the offices of the MFDA at 650 West Georgia Street, Suite 1220, Vancouver, British Columbia on January 18, 2010 at 10:00 a.m. (Pacific), or as soon thereafter as the appearance can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing of this matter on its merits and to address any other procedural matters. The first appearance will be open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance will be able to listen to the proceeding by teleconference.

A copy of the Notice of Hearing is available on the MFDA website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 141 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
416-943-4672 or sdevlin@mfda.ca

13.1.4 MFDA Issues Notice of Hearing Regarding Roderick I. McLeod

NEWS RELEASE
For immediate release

MFDA ISSUES NOTICE OF HEARING REGARDING RODERICK I. MCLEOD

December 17, 2009 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against Roderick Ian McLeod (the "Respondent").

MFDA staff alleges in its Notice of Hearing that the Respondent engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

> **Allegation 1:** In 2005, the Respondent engaged in securities related business that was not carried on for the account of the Member and through the facilities of the Member by selling, referring or facilitating the sale of an investment product that was not approved by the Member to 2 individuals, contrary to MFDA Rules 1.1.1 and 2.1.1.
>
> **Allegation 2:** In 2005, the Respondent had and continued in another gainful occupation that was not disclosed to and approved by the Member by selling, referring or facilitating the sale of an investment product, contrary to MFDA Rules 1.2.1(d) and 2.1.1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA's Central Regional Council in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario on February 16, 2010 at 10:00 a.m. (Eastern), or as soon thereafter as the appearance can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing of this matter on its merits and to address any other procedural matters. The appearance will be open to the public, except as may be required for the protection of confidential matters.

A copy of the Notice of Hearing is available on the MFDA website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 141 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
416-943-4672 or sdevlin@mfda.ca

13.1.5 Proposed Conforming Amendments to MFDA Rules Resulting from National Instrument 31-103 *Registration Requirements And Exemptions*

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

PROPOSED CONFORMING AMENDMENTS TO MFDA RULES RESULTING FROM NATIONAL INSTRUMENT 31-103 *REGISTRATION REQUIREMENTS AND EXEMPTIONS*

I. OVERVIEW

A. Current Rules

On September 28, 2009, National Instrument 31-103 *Registration Requirements and Exemptions* ("NI 31-103") came into force. Changes to the following MFDA Rules and Policy are required to ensure that they are consistent with NI 31-103: 1.2 (Individual Qualifications), 2.4.2 (Referral Arrangements), 2.5 (Minimum Standards of Supervision), 5.3 (Client Reporting), 5.6 (Record Retention) and MFDA Policy No. 6 *Information Reporting Requirements*. Rules 1, 2 and 5 and Policy No. 6 are the only sections of the MFDA Rulebook where changes have been made. In these areas, the complete text has been provided so that the proposed amendments be considered along with the rest of the Rule/Policy.

B. The Issues

MFDA Rules currently require amendments to make them consistent with requirements established under NI 31-103.

C. Objectives

The proposed amendments are conforming and consequential in nature and, as noted, are intended to ensure that requirements under MFDA Rules and Policies are consistent with those under NI 31-103.

D. Effect of Proposed Amendments

MFDA Members and Approved Persons must comply with requirements under securities legislation as well as MFDA Rules. The proposed amendments will ensure that Members and Approved Persons are subject to consistent requirements under both MFDA Rules and NI 31-103.

II. DETAILED ANALYSIS

A. Relevant History

NI 31-103 was first published for public comment in 2007 and, since that time, has been subject to additional public comment periods and significant stakeholder input. The proposed amendments are required, conforming and consequential in nature and have been made in accordance with the MFDA Rule review and approval process.

B. Proposed Amendments

Rule 1.2 (Proficiency Requirements)

The MFDA does not have authority to grant registration. Given that proficiency requirements for registration are contained in securities legislation, it is not necessary for such requirements to be maintained in MFDA Rules. Accordingly, the proposed amendments remove such requirements from the Rules and address proficiency generally under proposed new Rule 1.2.1.

The individual branch manager category of registration has not been retained in NI 31-103. However, the MFDA has determined that it is appropriate and consistent with its investor protection mandate to retain requirements in respect of branch managers under MFDA Rules. Based on its compliance and enforcement experience to date, MFDA staff has determined that the branch manager supervisory structure continues to be necessary to ensure appropriate supervision of Approved Persons as prescribed under MFDA Rules.

As a consequence, the proficiency requirements for Branch Managers would remain in MFDA Rules and be consolidated in proposed Rule 2.5.5, as described below.

Rule 2.4.2 (Referral Arrangements)

Rule 2.4.2 previously limited who a Member could enter into a referral arrangement with and also limited such arrangements to those in respect of securities related business. The proposed consequential amendments to the Rule conform to requirements under NI 31-103, under which no such limits are imposed and all referrals are required to be done through the Member.

Rule 2.5 (Minimum Standards of Supervision)

- **Rule 2.5.2 (Ultimate Designated Person)** – This new Rule adds the requirement for designation of the ultimate designated person ("UDP"), specifying who the UDP must be and UDP responsibilities. As noted above, the proficiency principle, which applies to Approved Persons, branch managers, Chief Compliance Officers ("CCO") and UDPs, is addressed in Rule 1.2.1.

- **Rule 2.5.3 (Chief Compliance Officer)** (former Rule 2.5.2) – The Rule has been amended to require designation of the CCO and to revise the responsibilities of this individual to conform to those required under NI 31-103.

- **Rule 2.5.4 (Access to Board)** – This new Rule has been added to require the Member to provide its UDP and CCO with direct access to the board of directors or partners.

- **Rule 2.5.5 (Branch Manager)** (former Rule 2.5.3) – Conforming amendments have been made to make the wording consistent with NI 31-103 and to include proficiency requirements for branch managers. The requirements are based on the principle that a branch manager supervising Approved Persons must meet the proficiency requirements of the Approved Persons he or she supervises in addition to passing the applicable branch manager examinations.

Rule 5.3 (Client Reporting)

- **Rule 5.3.1(a) (Delivery of Account Statement)** – Conforming amendments have been made to: (i) eliminate distinctions between delivery requirements for accounts held in client and nominee name; and (ii) adopt the NI 31-103 requirement for registered dealers (including mutual fund dealers) to deliver a statement to all clients at least once every three months.

- **Rule 5.3.2 (Automatic Payment Plans)** – This Rule, which required quarterly statement delivery in respect of automatic payment plan transactions for client assets held in nominee name, has been deleted.

- **Rule 5.3.2 (Content of Account Statement)** (former Rule 5.3.3) – Conforming amendments have been made to: (i) eliminate distinctions between requirements for nominee and client name accounts; and (ii) adopt the wording and structure of NI 31-103 in respect of content requirements for transactions made for the client during the period covered by the statement and as at the end of the period for which the statement is made (these changes clarify existing requirements in Rule 5.3.2). Specifically, the following requirements have been added:

    - "total value of the transaction" in respect of each transaction made for the client during the period covered by the statement – the proposed amendment restates, with improved wording, the existing requirement to show all debits and credits;

    - "market value of each security or investment in the account" as at the end of the period for which the statement is made – this new requirement has been added for accounts held in client name;

    - "total market value of each security or investment position in the account" and "any cash balance in the account" as at the end of the period for which the statement is made – the proposed amendment restates, with improved wording, the existing requirement to show all debits and credits; and

    - "total market value of all cash, securities and investments in the account" as at the end of the period for which the statement is made – the proposed amendment restates the existing requirement to show the closing balance.

5.6 (Record Retention)

Conforming amendments have been made to clarify that records must be kept for seven years from the date they are created.

MFDA Policy No. 6 *Information Reporting Requirements*

Consequential amendments to MFDA Policy No. 6 *Information Reporting Requirements*, section 14 (Changes in Organizational Structure) conform to NI 31-103 and National Instrument 33-109 *Registration Information* by including references to the UDP and CCO in the reporting requirements under this section.

C. Issues and Alternatives Considered

The CSA established regulatory working groups to develop NI 31-103, which MFDA staff participated on. The working groups met frequently during the development of the Instrument and, during the course of these meetings, MFDA staff communicated issues, concerns and alternatives to staff of the CSA.

D. Comparison with Similar Provisions

As noted, the proposed amendments are conforming and consequential in nature and are required to make MFDA Rules consistent with requirements established under NI 31-103.

E. Systems Impact of Amendments

It is not anticipated that there will be a significant systems impact on Members as a result of the proposed amendments.

F. Best Interests of the Capital Markets

The Board has determined that the proposed amendments are consistent with the best interests of the capital markets.

G. Public Interest Objective

MFDA Members and Approved Persons must comply with securities legislation and MFDA Rules. The proposed amendments are in the public interest as they will eliminate inconsistencies between MFDA Rules and NI 31-103.

III. COMMENTARY

A. Filing in Other Jurisdictions

The proposed amendments will be filed for approval with the Alberta, British Columbia, Manitoba, New Brunswick, Nova Scotia and Ontario Securities Commissions and the Saskatchewan Financial Services Commission.

B. Effectiveness

The proposed amendments are simple and effective.

C. Process

The proposed amendments have been prepared in consultation with relevant departments within the MFDA. The MFDA Board of Directors approved the proposed amendments on December 16, 2009.

D. Effective Date

Requirements adopted under NI 31-103 are subject to certain transition periods. The transition periods with respect to the proposed amendments will be harmonized with those under NI 31-103.

IV. SOURCES

MFDA Rulebook
NI 31-103

V. REQUIREMENT TO PUBLISH FOR COMMENT

The MFDA is required to publish for comment the proposed amendments so that the issues referred to above may be considered by the Recognizing Regulators.

The MFDA has determined that the entry into force of the proposed amendments would be in the public interest and is not detrimental to the capital markets. Comments are sought on the proposed amendments. Comments should be made

in writing. One copy of each comment letter should be delivered by **March 23, 2010** (within 90 days of the publication of this notice), addressed to the attention of the Corporate Secretary, Mutual Fund Dealers Association of Canada, 121 King St. West, Suite 1000, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of Mark Wang, Manager, Legal Services, British Columbia Securities Commission, 701 West Georgia Street, P.O. Box 10142, Pacific Centre, Vancouver, British Columbia, V7Y 1L2.

Those submitting comment letters should be aware that a copy of their comment letter will be made publicly available on the MFDA website at www.mfda.ca.

Questions may be referred to:

Jason Bennett
Corporate Secretary & Director, Regional Councils
Mutual Fund Dealers Association of Canada
(416) 943-7431

SCHEDULE A

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

RULES

On December 16, 2009, the Board of Directors of the Mutual Fund Dealers Association of Canada made the following amendments to the Rules:

MUTUAL FUND DEALERS ASSOCIATION OF CANADA/
ASSOCIATION CANADIENNE DES COURTIERS DE FONDS MUTUELS

RULES

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

1. RULE NO. 1 – BUSINESS STRUCTURES AND QUALIFICATIONS

1.1 BUSINESS STRUCTURES

1.1.1 **Members**. No Member or Approved Person (as defined in By-law 1.1) in respect of a Member shall, directly or indirectly, engage in any securities related business (as defined in By-law 1.1) except in accordance with the following:

(a) all such securities related business is carried on for the account of the Member, through the facilities of the Member (except as expressly provided in the Rules) and in accordance with the By-laws and Rules, other than:

(i) such business as relates solely to trading in deposit instruments conducted by any Approved Person not on account of the Member; and

(ii) such business conducted by an Approved Person as an employee of a bank and in accordance with the *Bank Act (Canada)* and the regulations thereunder and applicable securities legislation.

(b) all revenues, fees or consideration in any form relating to any business engaged in by the Member is paid or credited directly to the Member and is recorded on the books of the Member;

(c) the relationship between the Member and any person conducting securities related business on account of the Member is that of:

(i) an employer and employee, in compliance with Rule 1.1.4,

(ii) a principal and agent, in compliance with Rule 1.1.5, or

(iii) an introducing dealer and carrying dealer, in compliance with Rule 1.1.6;

(d) the business or trade or style name under which such securities related business is conducted is in accordance with Rule 1.1.7.

1.1.2 **Compliance by Approved Persons**. Each Approved Person who conducts or participates in any securities related business in respect of a Member in accordance with Rule 1.1.1.(c)(i) or (ii) shall comply with the By-laws and Rules as they relate to the Member or such Approved Person.

1.1.3 **Service Arrangements**. A Member or Approved Person may engage the services of any person including another Member or Approved Person, to provide services to the Member or Approved Person, as the case may be, provided that:

(a) the services do not in themselves constitute securities related business or duties or responsibilities that are required to be performed by the Member or Approved Person engaging the services pursuant to the By-laws, Rules or applicable securities legislation;

(b) any remuneration or compensation in any form in respect of such services shall only be paid or credited by the Member or Approved Person engaging the services, as the case may be, directly to the person providing the services and the payment or credit of such remuneration or compensation shall be recorded in the books and records required to be maintained in accordance with the By-laws and Rules by the Member or Approved Person engaging such services;

(c) the Member or Approved Person engaging the services shall remain responsible for compliance with the By-laws and Rules and any applicable legislation;

(d) any person preparing and maintaining books and records as a service in respect of the business of the Member or Approved Person shall do so in accordance with the requirements of Rule 5, and such books and records shall be available for review by the Member or Approved Person during normal business hours and by the Corporation in accordance with the By-laws and Rules; and

(e) all material terms of the services to be engaged that relate to requirements of the Member or Approved Person under the By-laws, Rules, Policies or Forms shall be evidenced in writing and a copy of such terms, together with any amendments thereto from time to time or termination, shall be provided by the Member or Approved Person promptly to the Corporation upon request, together with any other information relating thereto as may be requested by the Corporation.

1.1.4 **Employees**. A Member may conduct its business by Approved Persons employed as employees by it provided that:

(a) any such employee is registered or licensed, in the manner necessary, and is in good standing, under the applicable legislation in the province or territory where the employee proposes to act;

(b) the Member shall be responsible for, and shall supervise, the conduct of the employee as an Approved Person in respect of the business including compliance with applicable legislation and the By-laws and Rules;

(c) the Member shall be liable to third parties (including clients) for the acts and omissions of the employee relating to the Member's business;

(d) the employee is in compliance with the legislation, By-laws and Rules applicable to the employee as an Approved Person; and

(e) where the Member and the Approved Person employed as an employee have entered into a written agreement, it shall not contain provisions which are inconsistent with an employment relationship or with the requirements set out in paragraphs (a) to (d) inclusive, of Rule 1.1.4.

1.1.5 **Agents**. A Member may conduct its business by Approved Persons retained or contracted by it as agents provided that:

(a) any such agent is registered or licensed in the manner necessary, and is in good standing, under the applicable legislation in the province or territory where the agent proposes to act;

(b) the Member shall be responsible for, and shall supervise, the conduct of the agent in respect of the business including compliance with applicable legislation and the By-laws and Rules;

(c) the Member shall be liable to third parties (including clients) for the acts and omissions of the agent relating to the Member's business;

(d) the agent is in compliance with the legislation, By-laws and Rules applicable to the agent;

(e) the financial institution bonds and insurance policies required to be maintained by the Member pursuant to Rule 4 cover and relate to the conduct of the agent;

(f) all books and records prepared and maintained by the agent in respect of such business of the Member shall be in accordance with Rule 5 and applicable legislation, shall be the property of the Member and shall be available for review by and delivery to the Member during normal business hours;

(g) all such business conducted by the agent is in the name of the Member subject to the provisions of Rule 1.1.7;

(h) the agent shall not conduct securities related business with or in respect of any person other than the Member;

(i) if the agent is engaged in or carrying on any business or activity other than business conducted on behalf of the Member, including any business or activity which is subject to regulation by any regulatory authority other than a securities commission, compliance with the terms of the agreement referred to in paragraph (k) shall be monitored and enforced directly by the Member and not by or through any other person including another employer or principal of the agent;

(j) the terms or basis on which the agent may be engaged in or carry on any business or activity other than business conducted on behalf of the Member shall not prevent or impair the ability of the Member or the Corporation from monitoring and enforcing compliance by the agent with the terms of the agreement referred to in paragraph (k) or the By-laws or Rules; and

(k) the Member and the agent shall have entered into an agreement in writing, which shall be provided promptly to the Corporation upon request, containing terms which include the provisions of paragraphs (a) to (j), inclusive, and which do not include provisions which are inconsistent with paragraphs (a) to (j), and shall provide the Corporation with a certificate signed by an officer or director of such Member and, upon request by the Corporation, shall provide an opinion of counsel, confirming the agreement is in compliance with such provisions.

1.1.6 **Introducing and Carrying Arrangement**

(a) **Permitted Arrangements.** A Member may enter into an arrangement with another Member pursuant to which the accounts of one Member (the "introducing dealer") are carried by the other Member (the "carrying dealer") provided that:

(i) the arrangement shall satisfy the requirements of a carrying arrangement described in Rule 1.1.6(b);

(ii) an introducing dealer shall not introduce accounts to any person who is not a Member;

(iii) an introducing dealer may not introduce accounts to more than one Member, except that a Level 2, 3 or 4 Member may introduce to another Member accounts of clients which are self-directed plans registered for income tax purposes;

(iv) the Members shall enter into a written agreement evidencing the arrangement and reflecting the requirements of Rule 1.1.6(b) and such other matters as may be required by the Corporation;

(v) the arrangement (including the form of agreement referred to in Rule 1.1.6(b)) and any amendment to or termination of the arrangement or agreement, shall have been approved by the Corporation before it is to become effective; and

(vi) the arrangement shall be in compliance with the By-laws and Rules and the securities legislation applicable to either of the Members.

(b) **Terms of Arrangement.** A Member may enter into an agreement with another Member in accordance with Rule 1.1.6(a) if it satisfies the following requirements:

(i) Minimum Capital. The carrying dealer shall maintain at all times minimum capital of a Level 4 Dealer, and the introducing dealer shall maintain at all times minimum capital of a Level 1, 2, 3 or 4 Dealer, as the case may be;

(ii) Reporting of Client Balances. In calculating the risk adjusted capital required pursuant to Rule 3.1.1 and Form 1, the carrying dealer shall report all accounts of the clients (introduced by the introducing dealer to the carrying dealer and for whom assets are held in nominee name) on the carrying dealer's Form 1 and Monthly Financial Report;

(iii) Comfort Deposit. Any deposit (other than deposits on behalf of clients) provided to the carrying dealer by the introducing dealer pursuant to the terms of the agreement between them shall be segregated in accordance with Rule 3.3 by the carrying dealer and shall be held by the carrying dealer in a separate designated trust account for the introducing dealer;

The deposit provided by the introducing dealer to the carrying dealer shall be reported by the introducing dealer as an allowable asset on its Form 1 and Monthly Financial Report;

(iv) Segregation of Client Cash and Securities. The carrying dealer shall be responsible for holding and segregating in accordance with the requirements of Rule 3.3 all cash and securities held for clients introduced to it by an introducing dealer, provided that a Level 3 introducing dealer may hold cash, and a Level 4 introducing dealer may hold cash and securities, for the accounts of clients to the extent to which such functions are not part of the services to be provided by the carrying dealer;

(v) Trust Accounts. The carrying dealer shall be responsible for and shall maintain in its name any trust accounts established in respect of cash received for the account of clients introduced to it by the introducing dealer, provided that a Level 3 or 4 introducing dealer may hold cash in such trust accounts to the extent to which such functions are not part of the services to be provided by the carrying dealer;

(vi) Insurance. The introducing dealer and carrying dealer shall each maintain minimum insurance in the amounts required and in accordance with Rule 4;

(vii) Amount of Insurance. The carrying dealer shall include all accounts introduced to it by the introducing dealer that are held in nominee name in its calculation of the "base amount" asset measurement for minimum Financial Institution Bond coverage for Clauses (A) through (E) under Rule 4;

(viii) Disclosure and Acknowledgement on Account Opening. At the time of opening each client account, the introducing dealer shall advise the client of the introducing dealer's relationship to the carrying dealer and of the relationship between the client and the carrying dealer and, in the case of a Level 1 or 2 introducing dealer, obtain from the client an acknowledgement in writing to the effect that such advice has been given. In the case of a Level 2 introducing dealer, the acknowledgement shall reflect that the introducing dealer has advised the client that the carrying dealer shall be responsible for and shall maintain in its name any trust accounts established in respect of cash received from clients and that all client cheques shall be payable to the carrying dealer;

(ix) Contracts, Account Statements, Confirmations and Client Communications. The name and role of each of the carrying dealer and the introducing dealer shall be shown on all contracts, account statements, confirmations and, in the case of a Level 1 introducing dealer, all client communications (as defined in Rule 2.8.1) and advertisements and sales communications (as defined in Rule 2.7.1) sent by either the introducing dealer or the carrying dealer in respect of accounts carried by the carrying dealer. In the case of a Level 1 introducing dealer, the name and role of the carrying dealer shall appear in at least equal size to that of the introducing dealer. The use of business or trade or style names shall be in accordance with Rule 1.1.7 as applicable. The carrying dealer shall be responsible for sending account statements and confirmations to clients introduced to it by the introducing dealer as required by the By-laws and Rules to the extent such statements and confirmations relate to trading or account positions in respect of which the carrying dealer has provided services;

(x) Annual Disclosure. A Level 3 or Level 4 introducing dealer may comply with the disclosure requirements under paragraph (ix) by providing written disclosure at least annually to each of its clients whose accounts are being carried by the carrying dealer, outlining the relationship between the introducing dealer and the carrying dealer and the relationship between the client and the carrying dealer;

(xi) Clients Introduced to the Carrying Dealer. Each client introduced to the carrying dealer by the introducing dealer shall be considered a client of the carrying dealer for the purposes of complying with the By-laws and Rules to the extent of the services provided by the carrying dealer; and

(xii) Responsibility for Compliance. Unless otherwise specified in Rule 2 or in this Rule 1.1.6, the introducing dealer which is a Level 1 Dealer and its carrying dealer shall be jointly and severally responsible for compliance with the By-laws and Rules for each account introduced to the carrying dealer by the introducing dealer, and in all other cases the introducing dealer shall be responsible for such compliance, subject to the carrying dealer being also responsible for compliance with respect to those functions it agrees to perform under the arrangement entered into under this Rule 1.1.6

1.1.7 **Business Names, Styles, Etc.**

(a) **Use of Member Name**. Except as permitted pursuant to Rule 1.1.6 with respect to introducing dealers and carrying dealers and subject to Rule 1.1.7(b) and (c), all business carried on by a Member or by any person

on its behalf shall be in the name of the Member or a business or trade or style name owned by the Member or an affiliated corporation of the Member.

(b) **Contracts, Account Statements and Confirmations**. Notwithstanding the provisions of paragraph (a), the legal name of the Member shall be included on any contracts, account statements or confirmations of the Member.

(c) **Use of Approved Person Trade Name**. Notwithstanding the provisions of paragraph (a), an Approved Person may conduct any business of the Member in a business or trade name or style name that is not that of, or owned by, the Member or its affiliated corporation if:

(i) the Member has given its prior written consent; and

(ii) in all materials communicated to clients or the public (other than contracts, account statements or confirmations in accordance with (iii)):

(A) the name is used together with the Member's legal name; and

(B) the Member's legal name or a business or trade or style name of the Member is at least equal in size and prominence to the business or trade or style name used by the Approved Person;

(iii) on contracts, account statements or confirmations, the Member's legal name must be at least equal in size and prominence to the business or trade or style name used by the Approved Person.

(d) **Notification of Trade Names**. Prior to the use of any business or style or trade names other than the Member's legal name, the Member shall notify the Corporation.

(e) **Compliance with Applicable Legislation**. Any business or trade or style name used by a Member or Approved Person must comply with the requirements of any applicable legislation relating to the registration of business or trade or style names.

(f) **Single Use of Trade Names**. No Member or Approved Person of such Member shall use any business or trade or style name that is used by any other Member, unless the relationship with such other Member is that of an introducing dealer and carrying dealer, in compliance with Rule 1.1.6.

(g) **Misleading Trade Name**. No Member or Approved Person shall use any business or trade or style name that is deceptive, misleading or likely to deceive or mislead the public.

(h) **Prohibition of Use of Trade Name**. The Corporation may prohibit a Member or Approved Person from using any business or trade or style name in a manner that is contrary to any provision of this Rule 1.1.7 or that is objectionable or contrary to the public interest.

1.2 INDIVIDUAL QUALIFICATIONS

1.2.1 **Proficiency Requirements**. An individual must not perform an activity that requires registration under applicable securities legislation or proficiency under the Rules unless the individual has the education, training and experience that a reasonable person would consider necessary to perform the activity competently.

~~(a) **Course Requirements**. Each Approved Person who is a salesperson and who trades or deals in securities for the purposes of any applicable legislation in respect of a Member shall have successfully completed any one of the following courses:~~

~~(I)the Canadian Securities Course offered by the Canadian Securities Institute;~~

~~(ii)the Canadian Investment Funds Course offered by the Investment Funds Institute of Canada;~~

~~(iii)the Investment Funds in Canada Course offered by the Institute of Canadian Bankers;~~

~~(iv)the Principles of Mutual Funds Course formerly offered by the Trust Companies Institute; or~~

~~(v)to the extent the Approved Person trades or deals in securities in the Province of Quebec only, the courses entitled Placements des particuliers (CEGEP) and Cours sur les fonds distincts et fonds communs de placement offered by the Canadian Securities Institute~~.

1.2.2 **Salespersons**

~~(b)~~(a) **Compliance with MFDA Requirements**. Each Member shall ensure that any Approved Person who conducts any business on behalf of the Member executes and delivers to the Member an agreement in a form as prescribed from time to time by the Corporation agreeing, among other things, to be subject to, comply with and be bound by the By-laws and Rules.

~~(c)~~(b) **Training and Supervision**. Upon commencement of trading or dealing in securities for the purposes of any applicable legislation on behalf of a Member, all Approved Persons who are salespersons shall complete a training program within 90 days of such commencement and a concurrent six month supervision period in accordance with such terms and conditions as may be prescribed from time to time by the Corporation, unless he or she has completed a training program and supervision period in accordance with this Rule with another Member or was licensed or registered in the manner necessary, and is in good standing, under applicable securities legislation to trade in mutual fund securities prior to the date of this Rule becoming effective.

~~(d)~~(c) **Dual Occupations**. An Approved Person may have, and continue in, another gainful occupation, provided that:

(i) *Permitted by legislation*. The securities commission in the jurisdiction in which the Approved Person carries on or proposes to carry on business specifically permits him or her to devote less than his or her full time to the business of the Member for which he or she acts on behalf of;

(ii) *Not prohibited*. The securities commission in the jurisdiction in which the Approved Person carries on or proposes to carry on business does not prohibit an Approved Person from engaging in such gainful occupation;

(iii) *Member approval*. The Member for which the Approved Person carries on business either as an employee or agent is aware and approves of the Approved Person engaging in such other gainful occupation;

(iv) *Member procedures*. Such Member establishes and maintains procedures to ensure continuous service to clients and to address potential conflicts of interest;

(v) *Conduct unbecoming*. Any such gainful occupation of the Approved Person must not be such as to bring the Corporation, its Members or the mutual fund industry into disrepute;

(vi) *Disclosure*. Clear disclosure is provided to clients that any activities related to such other gainful occupation are not business of the Member and are not the responsibility of the Member; and

(vii) *Financial planning*. Any Approved Person that engages in financial planning services otherwise than through or on behalf of a Member must:

(A) Regulations - provide such services through another person that is either regulated by a governmental authority or statutory agency or subject to the rules and regulations of a widely-recognized professional association;

(B) Legislation - comply with the requirements of any applicable legislation in connection with the services;

(C) Access - ensure that, subject to any applicable legislation, the Member and the Corporation have access to financial plans prepared on behalf of the clients of the Member by its Approved Persons; and

(D) Proficiency - have satisfied any applicable proficiency requirements by securities regulatory authorities having jurisdiction.

~~(e)~~(d) **Business Titles**. No Approved Person shall hold him or herself out to the public in any manner including, without limitation, by the use of any business name or designation of qualifications or professional experience

that deceives or misleads, or could reasonably be expected to deceive or mislead, a client or any other person as to the proficiency or qualifications of the Approved Person under the Rules or any applicable legislation

1.2.2 **Branch Managers**

(a)**Proficiency Requirements**. An individual may not be designated by the Member as a branch manager pursuant to Rule 2.5.3(a) or an alternate branch manager pursuant to Rule 2.5.3(c) unless the individual has:

(i)been licensed or registered previously under applicable securities legislation as a trading partner, director, officer or compliance officer of a mutual fund dealer; or

(ii)has successfully completed any one of the following courses:

(A) the Canadian Securities Course offered by the Canadian Securities Institute,

(B) the Canadian Investment Funds Course offered by the Investment Funds Institute of Canada, or

(C) the Investment Funds in Canada Course offered by the Institute of Canadian Bankers

and, any one of the following courses:

(D) the Branch Managers' Course offered by the Canadian Securities Institute

(E) the Mutual Fund Branch Managers' Course offered by the Investment Funds Institute of Canada, or

(F) the Branch Compliance Officers Course offered by the Institute of Canadian Bankers.

(b) **Experience Requirements**. In addition to the requirements set out in Rule 1.2.2(a), each branch manager, except alternate branch managers, in respect of a Member shall:

(i)have acted as a salesperson, trading partner, director, officer or compliance officer registered under the applicable securities legislation for a minimum of two years; or

(ii)have a minimum of two years of equivalent experience to that of an individual described in Rule 1.2.2(b)(i).

(c)**Registration**. Each Branch Manager, in addition to the requirements in Rule 1.2.2(a) shall be registered, licensed or approved as a branch manager under the applicable securities legislation and comply with the requirements of such legislation in connection therewith.

1.2.3 **Trading Partners, Directors, Officers and Compliance Officers**

(a) **Definition**. In this Rule, "trading partner, director or officer" means each partner, director or officer who is required to be registered and/or licensed under applicable securities legislation.

(b)**Course Requirements**. Each trading partner, director, officer and designated compliance officer of a Member shall have successfully completed any one of the following courses:

(i)the Canadian Securities Course offered by the Canadian Securities Institute;

(ii)the Canadian Investment Funds Course offered by the Investment Funds Institute of Canada; or

(iii)the Investment Funds in Canada Course offered by the Institute of Canadian Bankers;

and, any one of the following:

(iv)the Partners', Directors' and Senior Officers' Qualifying Examination offered by the Canadian Securities Institute; or

~~(v)the Mutual Fund Officers', Partners' and Directors' Course offered by the Investment Funds Institute of Canada.~~

~~(c) **Registration**. Each trading partner, director, officer and compliance officer of a Member shall be registered and/or licensed in the appropriate category under applicable securities legislation and shall comply with the requirements of such legislation in connection therewith.~~

~~**1.2.4 Currency of Courses.**~~

~~(a) For the purposes of Rules 1.2.1(a), 1.2.2(a) or 1.2.3(b):~~

~~(i)the courses or examinations must have been successfully completed; or~~

~~(ii)the individual must have been registered/licensed under applicable securities legislation in the equivalent category;~~

~~within three years of the relevant time for qualification or such longer period as the Corporation may determine if it is satisfied based on the individual's experience that his or her knowledge and proficiency remains relevant and current.~~

~~(b)Notwithstanding subsection (a), if an individual completes a course for which another course is a prerequisite, the course which is a prerequisite need not have been completed within the three year period~~.

1.2.5~~3~~ **Reporting Requirements**.

(a) **Member Reporting.** Every Member must report to the Corporation such information, in a manner and within such period of time, as may be prescribed by the Corporation from time to time relating to:

(i) complaints, criminal, civil and other legal proceedings, regulatory proceedings, arbitrations, contraventions and potential contraventions of legal and regulatory requirements, disciplinary action by regulatory bodies or by Members against Approved Persons, settlements with and compensation paid to clients, registration or licensing by any regulatory body, bankruptcies, insolvencies, garnishments and related events;

(ii) investigations by the Member relating to any of the matters in sub-section (i); and

(iii) information relating to the business and operation of the Member and its Approved Persons.

(b) **Approved Person Reporting.** Every Approved Person must report to the Member such information, in a manner and within such period of time, as may be prescribed by the Corporation from time to time relating to complaints, criminal, civil and other legal proceedings, regulatory proceedings, arbitrations, contraventions and potential contraventions of legal and regulatory requirements, disciplinary action by regulatory bodies, settlements with and compensation paid to clients, registration or licensing by any regulatory body, bankruptcies, insolvencies, garnishments and related events.

(c) **Failure to Report.** A Member shall be liable for and pay to the Corporation levies or assessments in the amounts prescribed from time to time by the Corporation for the failure of the Member or Approved Person to report any information required to be reported in the manner and within the period of time prescribed by the Corporation.

2. RULE NO. 2 – BUSINESS CONDUCT

2.1 GENERAL

2.1.1 **Standard of Conduct**. Each Member and each Approved Person of a Member shall:

(a) deal fairly, honestly and in good faith with its clients;

(b) observe high standards of ethics and conduct in the transaction of business;

(c) not engage in any business conduct or practice which is unbecoming or detrimental to the public interest; and

(d) be of such character and business repute and have such experience and training as is consistent with the standards described in this Rule 2.1.1, or as may be prescribed by the Corporation.

2.1.2 **Member Responsible**. Each Member shall be responsible for the acts and omissions of each of its Approved Persons and other employees and agents relating to its business for all purposes under the By-laws and Rules.

2.1.3 **Confidential Information**

(a) All information received by a Member relating to a client or the business and affairs of a client shall be maintained in confidence by the Member and its Approved Persons and other employees and agents. No such information shall be disclosed to any other person or used for the advantage of the Member or its Approved Persons or other employees or agents without the prior written consent of the client or as required or authorized by legal process or statutory authority or where such information is reasonably necessary to provide a product or service that the client has requested.

(b) Each Member shall develop and maintain written policies and procedures relating to confidentiality and the protection of information held by it in respect of clients.

2.1.4 **Conflicts of Interest**

(a) Each Member and Approved Person shall be aware of the possibility of conflicts of interest arising between the interests of the Member or Approved Person and the interests of the client. Where an Approved Person becomes aware of any conflict or potential conflict of interest, the Approved Person shall immediately disclose such conflict or potential conflict of interest to the Member.

(b) In the event that such a conflict or potential conflict of interest arises, the Member and the Approved Person shall ensure that it is addressed by the exercise of responsible business judgment influenced only by the best interests of the client and in compliance with Rules 2.1.4(c) and (d).

(c) Any conflict or potential conflict of interest that arises as referred to in Rule 2.1.4(a) shall be immediately disclosed in writing to the client by the Member, or by the Approved Person as the Member directs, prior to the Member or Approved Person proceeding with the proposed transaction giving rise to the conflict or potential conflict of interest.

(d) Each Member shall develop and maintain written policies and procedures to ensure compliance with Rules 2.1.4(a), (b) and (c).

2.2 CLIENT ACCOUNTS

2.2.1 **"Know-Your-Client".** Each Member and Approved Person shall use due diligence:

(a) to learn the essential facts relative to each client and to each order or account accepted;

(b) to ensure that the acceptance of any order for any account is within the bounds of good business practice; and

(c) to ensure that each order accepted or recommendation made for any account of a client is suitable for the client and in keeping with the client's investment objectives; and

(d) to ensure that, notwithstanding the provisions of paragraph (c), where a transaction proposed by a client is not suitable for the client and in keeping with the client's investment objectives, the Member has so advised the client before execution thereof.

2.2.2 **New Account Application Form**. A New Account Application Form must be completed for each new account of a client. If the New Account Application Form does not include know-your-client information, this must be documented on a separate Know-Your-Client form. Such form or forms shall be duly completed to conform with the requirements of Rule 2.2.1 and shall be signed by the client and dated. Account numbers must not be assigned unless they are accompanied by the proper name and address for the client and such name and address must be supported by the New Account Application Form.

2.2.3 **New Account Approval.** Each Member shall designate a trading partner, director or officer or, in the case of a branch office, a branch manager reporting directly to the designated partner, director or officer, who shall be responsible for approval of the opening of new accounts and the supervision of account activity. The designated person shall prior to

or promptly after the completion of any initial transaction specifically approve the opening of such account in writing and a record of such approval shall be maintained in accordance with Rule 5.

2.2.4 **Updating Know-Your-Client Information**

(a) The Form documenting know-your-client information must be updated to include any material change in client information whenever a Member or Approved Person or other employee or agent becomes aware of such change including pursuant to Rule 2.2.4(b).

(b) Without reducing the responsibility of Members in Rule 2.2.1, all Members must at least annually, in writing, request each client to notify the Member if the know-your-client information previously provided to the Member or the client's circumstances have materially changed. The date of such request and the date upon which any such client information is received and recorded or amended must be retained.

(c) Written authorization must be obtained from the client for any change in a client name.

2.3 POWER OF ATTORNEY/LIMITED TRADING AUTHORIZATION

2.3.1 (a) **Prohibition**. No Member or Approved Person shall accept or act upon a general power of attorney or other similar authorization from a client in favour of the Member or Approved Person.

(b) **Exception**. Notwithstanding the provisions of paragraph (a), an Approved Person may accept or act upon a general power of attorney or similar authorization from a client in favour of the Approved Person where such client is a spouse, parent or child of the Approved Person and provided that:

(i) an Approved Person other than the Approved Person holding the general power of attorney must be the Approved Person of record on the account; and

(ii) such other conditions as prescribed by the Corporation are met

2.3.2 **Limited Trading Authorization**. A Member or Approved Person may accept a limited trading authorization from a client for the express purpose of facilitating trade execution. In such circumstances a form of limited trading authorization as prescribed by the Corporation must be completed and approved by the compliance officer or branch manager, and retained in the client's file.

2.3.3 **Designation**. Each trade made pursuant to a limited trading authorization and its corresponding account must be identified as such in the books and records of the Member and on any order documentation.

2.3.4 **No Discretionary Trading**. A limited trading authorization shall not in any way confer general discretionary trading authority upon a Member, an Approved Person or any person acting on behalf of the Member.

2.4 REMUNERATION, COMMISSIONS AND FEES

2.4.1 **Payable by Member Only**. Any remuneration in respect of business conducted by an Approved Person on behalf of a Member must be paid by the Member (or its affiliates or its related Members which have received it from the Member) directly to and in the name of the Approved Person.

No Approved Person in respect of a Member shall accept or permit any associate to accept directly or indirectly, any remuneration, gratuity, benefit or any other consideration from any person other than the Member or its affiliates or its related Members, in respect of the business carried out by such Approved Person on behalf of the Member or its affiliates or its related Members.

2.4.2 **Referral Arrangements**

(a) **Definitions**. For the purpose of this Rule 2.4.2:

(i) "client" includes a prospective client;

(ii) "referral arrangement" means any arrangement in which a Member or Approved Person agrees to pay or receive a referral fee; and

(iii) "referral fee" means any form of compensation, direct or indirect, paid for the referral of a client to or from a Member or Approved Person.

~~(i) a "referral arrangement" is an arrangement whereby a Member is paid or pays a fee, including fees based on commissions or sharing a commission, for the referral of a client to or from another person; and~~

~~(ii) a referral arrangement does not include any payment to a third party service provider where the service provider has no direct contact with clients and where the services do not constitute securities related business.~~

(b) **Permitted Referral Arrangements**. A Member or Approved Person must not participate in a referral arrangement unless~~Referral arrangements may only be entered into on the following basis~~:

(i) the Member is a party to referral arrangements entered into by its Approved Persons; ~~the referral arrangement is only between a Member and another Member or between a Member and an entity that is (A) licensed or registered in another category pursuant to applicable securities legislation, (B) a Canadian financial institution for the purposes of National Instrument 14-101, (C) insurance agents or brokers, or (D) subject to such other regulatory system as may be prescribed by the Corporation;~~

(ii) before a client is referred by or to the Member or Approved Person, the terms of the referral arrangement are set out in a written agreement between the Member and the person or company making or receiving the referral; ~~there is a written agreement governing the referral arrangement prior to implementation;~~

(iii) all referral fees ~~or other form of compensation~~ paid as part of the referral arrangement~~,~~ to or by the Member or Approved Person~~,~~ ~~must be~~are recorded on the books and records of the Member; ~~and~~

(iv) written disclosure of the referral arrangements ~~must be~~is made to clients before the earlier of the opening the client's account or any services being provided to the client under the referral arrangement. ~~prior to any transactions taking place.~~ The disclosure document must include ~~an explanation or an example of how the referral fee is calculated, the name of the parties receiving and paying the fee, and a statement that it is illegal for the party receiving the fee to trade or advise in respect of securities if it is not duly licensed or registered under applicable securities legislation to so trade or advise~~the following:

(A) the name of each party to the referral arrangement;

(B) the purpose and material terms of the referral arrangement, including the nature of the services to be provided by each party;

(C) any conflicts of interest resulting from the relationship between the parties to the referral arrangement and from any other element of the referral arrangement;

(D) the method of calculating the referral fee and, to the extent possible, the amount of the fee;

(E) the category of registration of each party to the referral agreement that is registered under applicable securities legislation, with a description of the activities that the registered party is authorized to engage in under that category and, giving consideration to the nature of the referral, the activities that the registered party is not permitted to engage in;

(F) a statement that all activity requiring registration resulting from the referral arrangement will be provided by the appropriately registered party that is receiving the referral; and

(G) any other information that a reasonable client would consider important in evaluating the referral arrangement.

(v) If there is a change to the information set out in paragraph (iv), the Member must ensure that written disclosure of that change is provided to each client affected by the change as soon as possible and no later than the 30th day before the date on which a referral fee is next paid or received.

(c) **Reasonable Diligence**. A Member that is a party to a referral arrangement must take reasonable steps to satisfy itself that the other party to the referral arrangement has the appropriate qualifications to provide the services, and if applicable, is registered to provide those services.

2.4.3 **Service Fees or Charges**. No Member shall impose on any client or deduct from the account of any client any service fee or service charge relating to services provided by the Member in connection with the client's account unless written notice shall have been given to the client on the opening of the account or not less than 60 days prior to the imposition or revision of the fee or charge. For the purposes of this Rule, service fees or charges shall not include any commissions charged for executing trades.

2.5 MINIMUM STANDARDS OF SUPERVISION

2.5.1 **Member Responsibilities**. Each Member is responsible for establishing, implementing and maintaining policies and procedures to ensure the handling of its business is in accordance with the By-laws, Rules and Policies and with applicable securities legislation.

2.5.2 **Ultimate Designated Person**

(a) **Designation**. Each Member must designate an individual registered under applicable securities legislation as an "ultimate designated person" who must be:

(i) the chief executive officer or sole proprietor of the Member;

(ii) an officer in charge of a division of the Member, if dealing in mutual funds occurs only within that division; or

(iii) an individual acting in a capacity similar to that of an officer described in (i) or (ii).

(b) **Responsibilities**. The ultimate designated person must:

(i) supervise the activities of the Member that are directed towards ensuring compliance with the By-laws, Rules and Policies and with applicable securities legislation by the Member and its Approved Persons; and

(ii) promote compliance with the By-laws, Rules and Policies and with applicable securities legislation by the Member and its Approved Persons.

2.5.23 **Chief Compliance Officer**

(a) **Designation**. Each Member must designate ~~a~~an individual registered under applicable securities legislation ~~trading officer~~ as a "chief compliance officer" who must be:

(i) an officer or partner of the Member; or

(ii) the sole proprietor of the Member.

~~" who shall be or report to a member of senior management such as the Member's chief executive officer, chief operating officer or chief financial officer.~~

(b) **Responsibilities**. The chief compliance officer must:

(i) establish and maintain policies and procedures for assessing compliance by the Member and its Approved Persons with the By-laws, Rules and Policies and with applicable securities legislation;

(ii) monitor and assess compliance by the Member and its Approved Persons with the By-laws, Rules and Policies and with applicable securities legislation;

(iii) report to the ultimate designated person of the Member as soon as possible if the chief compliance officer becomes aware of any circumstances indicating that the Member, or any of its Approved Persons may be in non-compliance with the By-laws, Rules and Policies and with applicable securities legislation and any of the following apply:

(A) the non-compliance reasonably creates a risk of harm to a client;

(B) the non-compliance reasonably creates a risk of harm to the capital markets;

(C) the non-compliance is part of a pattern of non-compliance; and

(iv) submit a report to the board of directors or partners, as frequently as necessary and not less than

annually, for the purpose of assessing compliance by the Member and its Approved Persons with the By-laws, Rules and Policies and with applicable securities legislation.

~~The compliance officer shall be responsible for monitoring adherence by the Member and any person conducting business on account of the Member to the By-laws, Rules and Policies, including, without limitation, standards of business conduct under Rule 2 and applicable securities legislation requirements. The compliance officer or the individual to whom the compliance officer reports is required to report on the status of compliance at the Member to the board of directors or partners of the Member as necessary, and at least on an annual basis. It shall be the responsibility of the board of directors or partners of the Member to act on the annual report and to rectify any compliance deficiencies noted in the report.~~

(c) **Alternates**. In the event that a chief compliance officer is temporarily absent or unable to perform his or her responsibilities, a Member shall designate one or more alternates who must be qualified as chief compliance officers pursuant to the applicable securities legislation~~Rule 1.2.3~~ and who shall carry out the responsibilities of the chief compliance officer.

2.5.4 **Access to Board**. The Member must permit its ultimate designated person and its chief compliance officer to directly access the board of directors or partners of the Member at such times as the ultimate designated person or the chief compliance officer may consider necessary or advisable in view of his or her responsibilities.

2.5.3~~5~~ **Branch Manager**

(a) **Designation**. Each Member ~~shall~~ must designate an ~~person~~individual qualified as a branch manager pursuant to paragraph (b) ~~Rule 1.2.2~~ for each branch office (as defined in By-law 1.1) of the Member. The Member is not required to designate a branch manager for a sub-branch office who is normally present at the office, provided that a branch manager who is not normally present at such sub-branch office, or a trading partner, director or officer or a compliance officer designated as the branch manager for such sub-branch office, supervises its business at the sub-branch office in accordance with the By-laws and Rules.

(b) **Proficiency Requirements**. An individual may not be designated by the Member as a branch manager pursuant to paragraph (a) or an alternate branch manager pursuant to paragraph (e) unless the individual has:

(i) met the requirements for a salesperson as prescribed under applicable securities legislation and has passed any one of the following examinations:

(A) the Branch Managers Course Exam offered by the CSI Global Education Inc.;

(B) the Mutual Fund Branch Managers' Examination Course Exam offered by the IFSE Institute; or

(C) the Branch Compliance Officers Course Exam offered by the CSI Global Education Inc.

(c) **Experience Requirements**. In addition to the requirements set out in Rule 2.5.5(b), each branch manager, except alternate branch managers, in respect of a Member shall:

(i) have acted as a salesperson, trading partner, director, officer or compliance officer registered under the applicable securities legislation for a minimum of two years; or

(ii) have a minimum of two years of equivalent experience to that of an individual described in paragraph (i).

(d) **Currency of Courses**. For the purposes of the Rules, an individual is deemed to have not passed an examination or successfully completed a program unless the individual has done so within 36 months before the date the individual applied for registration or such longer period as may be specified by and subject to relevant requirements as the Corporation may determine if it is satisfied based on the individual's experience that his or her knowledge and proficiency remains relevant and current.

(e) **Responsibilities**. ~~It is the responsibility of a~~The branch manager ~~to~~must:

(i) supervise the activities of the Member at a branch or sub-branch that are directed towards ensuring compliance with the By-laws, Rules and Policies and with applicable securities legislation by the Member and its Approved Persons~~ensure that the business conducted on behalf of the Member by~~

~~an Approved Person and other employees and agents at the branch is in compliance with applicable securities legislation and the By-laws and Rules~~; and

(ii) supervise the opening of new accounts and trading activity at the branch office.

~~(c)~~(f) **Alternates**. In the event that a branch manager is temporarily absent or unable to perform his or her responsibilities, a Member shall designate one or more alternate branch managers who must be qualified as branch managers pursuant to paragraph (b)~~Rule 1.2.2(a)~~ and who shall carry out the responsibilities of the branch manager, but are not required to be normally present at the branch office.

2.5.4~~6~~ **Maintenance of Supervisory Review Documentation**. The Member must maintain records of all compliance and supervisory activities undertaken by it and its partners, directors, officers, compliance officers and branch managers pursuant to the By-laws and Rules.

2.5.5~~7~~ **No Delegation**. No Member or director, officer, partner, compliance officer, branch manager or alternate branch manager shall be permitted to delegate any supervision or compliance responsibility under the By-laws or Rules in respect of any business of the Member, except as expressly permitted pursuant to the By-laws and Rules.

2.6 BORROWING FOR SECURITIES PURCHASES

Each Member shall provide to each client a risk disclosure document containing the information prescribed by the Corporation when

(a) a new account is opened for the client; and

(b) when an Approved Person makes a recommendation for purchasing securities by borrowing, or otherwise becomes aware of a client borrowing monies for the purpose of investment,

provided that a Member is not required to comply with paragraph (b) if such a risk disclosure document has been provided to the client by the Member within the six month period prior to such recommendation or becoming so aware.

2.7 ADVERTISING AND SALES COMMUNICATIONS

2.7.1 **Definitions**. For the purposes of the By-laws and Rules:

(a) "advertisement" includes television or radio commercials or commentaries, billboards, internet websites, newspapers and magazine advertisements or commentaries and any published material promoting the business of a Member and any other sales literature disseminated through the communications media; and

(b) "sales communication" includes records, video tapes and similar material, market letters, research reports, and all other published material, except preliminary prospectuses and prospectuses, designed for or use in presentation to a client or a prospective client whether such material is given or shown to them and which includes a recommendation in respect of a security.

2.7.2 **General Restrictions**. No Member shall issue to the public, participate in or knowingly allow its name to be used in respect of any advertisement or sales communication in connection with its business which:

(a) contains any untrue statement or omission of a material fact or is otherwise false or misleading, including the use of a visual image such as a photograph, sketch, drawing, logo or graph which conveys a misleading impression;

(b) contains an unjustified promise of specific results;

(c) uses unrepresentative statistics to suggest unwarranted or exaggerated conclusions, or fails to identify the material assumptions made in arriving at these conclusions;

(d) contains any opinion or forecast of future events which is not clearly labelled as such;

(e) fails to fairly present the potential risks to the client;

(f) is detrimental to the interests of the public, the Corporation or its Members; or

(g) does not comply with any applicable legislation or the guidelines, policies or directives of any regulatory authority having jurisdiction over the Member.

2.7.3 **Review Requirements**. No advertisement or sales communication shall be issued unless first approved by a partner, director, officer, compliance officer or branch manager who has been designated by the Member as being responsible for advertisements and sales communications.

2.8 CLIENT COMMUNICATIONS

2.8.1 **Definition**. For the purposes of the By-laws and Rules "client communication" means any written communication by a Member or an Approved Person to a client of the Member, including trade confirmations and account statements, other than an advertisement or sales communication.

2.8.2 **General Restrictions**. No client communication shall:

(a) be untrue or misleading or use an image such as a photograph, sketch, logo or graph which conveys a misleading impression;

(b) make unwarranted or exaggerated claims or conclusions or fail to identify the material assumptions made in arriving at these conclusions;

(c) be detrimental to the interests of clients, the public, the Corporation or its Members;

(d) contravene any applicable legislation or any guideline, policy, rule or directive of any regulatory authority having jurisdiction over the Member; or

(e) be inconsistent or confusing with any information provided by the Member or Approved Person in any notice, statement, confirmation, report, disclosure or other information either required or permitted to be given to the client by a Member or Approved Person under the By-laws, Rules, Policies or Forms.

2.8.3 **Rates of Return**

(a) In addition to complying with the requirements in Rule 2.8.2, any client communication containing or referring to a rate of return regarding a specific account or group of accounts must be based on an annualized rate of return and explain the methodology used to calculate such rate of return in sufficient detail and clarity to reasonably permit the client to understand the basis for the rate of return.

(b) Notwithstanding the provisions of paragraph (a), where an account has been open for less than 12 months, the rate of return shown must be the total rate of return since account opening.

2.9 INTERNAL CONTROLS

Every Member shall establish and maintain adequate internal controls as prescribed by the Corporation from time to time.

2.10 POLICIES AND PROCEDURES MANUAL

Every Member shall establish and maintain written policies and procedures (that have been approved by senior management of the Member) for dealing with clients and ensuring compliance with the Rules, By-laws and Policies of the Corporation and applicable securities legislation.

2.11 COMPLAINTS

Every Member shall maintain a log of client complaints and shall establish written policies and procedures for dealing with client complaints which ensure that such complaints are dealt with promptly and fairly.

2.12 TRANSFERS OF ACCOUNT

2.12.1 **Definitions**. For the purposes of the By-laws and Rules:

(a) "account transfer" means the transfer in whole or in part of an account of a client of a Member at the request or with the authority of the client;

(b) "delivering Member" means in respect of an account transfer the Member from which the account of the client is to be transferred; and

(c) "receiving Member" means in respect of an account transfer the Member to which the account of the client is to be transferred.

2.12.2 **Transfers**. No account transfer shall be effected by a Member without the written authorization of the client holding the account. If an account transfer is authorized by a client, a delivering Member and a receiving Member shall act diligently and promptly in order to facilitate the transfer of the account in an orderly and timely manner.

5. RULE NO. 5 - BOOKS, RECORDS & REPORTING

5.1 REQUIREMENT FOR RECORDS

Every Member shall keep such books, records and other documents as are necessary for the proper recording of its business transactions and financial affairs and the transactions that it executes on behalf of others and shall keep such other books, records and documents as may be otherwise required by the Corporation. Such books and records shall contain as a minimum the following:

(a) blotters, or other records, containing an itemized daily record of:

(i) all purchases and sales of securities;

(ii) all receipts and deliveries of securities, including certificate numbers;

(iii) all receipts and disbursements of cash;

(iv) all other debits and credits, the account for which each transaction was effected;

(v) the name of the securities;

(vi) the class or designation of the securities;

(vii) the number or value of the securities;

(viii) the unit and aggregate purchase or sale price; and

(ix) the trade date and the name or other designation of the person from whom the securities were purchased or received or to whom they were sold or delivered;

(b) an adequate record of each order, and of any other instruction, given or received for the purchase or sale of securities, whether executed or unexecuted. Such record shall show:

(i) the terms and conditions of the order or instructions and of any modification or cancellation thereof;

(ii) the account for which entered or received; and

(iii) the time of entry or receipt, the price at which executed and, to the extent feasible, the time of execution or cancellation;

(c) where the order or instruction is placed by an individual other than the person in whose name the account is operated, or an individual duly authorized to place orders or instructions on behalf of a client that is a company, the name, sales number or designation or the individual placing the order or instruction shall be recorded;

(d) copies of confirmations of all purchases and sales of securities and copies of all other debits and credits for securities, cash and other items for the account of clients;

(e) a record of the proof of cash balances of all ledger accounts in the form of trial balances and a record of calculation of minimum capital, adjusted liabilities and risk adjusted capital required;

(f) all cheque books, bank statements, cancelled cheques and cash reconciliations;

(g) all bills receivable or payable (or copies thereof), paid or unpaid, relating to the business of the Member;

(h) all limited trading authorizations in respect of any account, and copies of resolutions empowering an agent to act on behalf of a corporation;

(i) all written agreements (or copies thereof) entered into by such Member relating to their business as such, including leveraging documentation, disclosure materials and agreements relating to any account; and

(j) all documentation relating to an advance of funds or extension of credit to or on behalf of a client, directly or indirectly, in connection with the receipt of funds on the redemption of mutual fund securities, including the prior written confirmation referred to in Rule 3.2.3.

5.2 STORAGE MEDIUM

All records and documents required to be maintained by a Member in writing or otherwise may be kept by means of mechanical, electrical, electronic or other devices provided:

(a) such method of record keeping is not prohibited under any applicable legislation;

(b) there are appropriate internal controls in place, to guard against the risk of falsification of the information recorded;

(c) such method provides a means to furnish promptly to the Corporation upon request legible, true and complete copies of those records of the Member which are required to be preserved; and

(d) the Member has suitable back-up and disaster recovery programs.

5.3 CLIENT REPORTING

5.3.1 **Delivery of Account Statement**

(a) Each Member shall send an account statement to each client at least once every three months. ~~in accordance with the following minimum standards:~~

~~(a)once every 12 months for a client name account;~~

~~(b)once a month for nominee name accounts of clients where there is an entry during the month and a cash balance or security position; and~~

~~(c)quarterly for nominee name accounts where no entry has occurred in the account and there is a cash balance or security position at the end of the quarter.~~

(b) A Member may not rely on any other person (including an Approved Person) to send account statements as required by this Rule.

(c) Notwithstanding the provisions of 5.3.1(b), a Member may rely on the trustee administering a self-directed registered plan to send the account statement required by paragraph (a)~~(i)~~ where the following conditions are met:

(i) The Member does not act as agent for the trustee for the registered plans;

(ii) The trustee meets the definition of “Acceptable Institution” as defined in Form 1;

(iii) There is a services agreement in place between the Member and the trustee which complies with the requirements of MFDA Rule 1.1.3 and provides that the trustee is responsible for sending account statements to clients of the Member that comply with the requirements of MFDA Rule 5;

(iv) There is clear disclosure about which trades are placed by the Member;

(v) Clear disclosure must be provided on the account statement regarding which securities positions referred to on the statement are eligible for coverage by the MFDA Investor Protection Corporation and which are not (once the Corporation is offering coverage);

(vi) The Member's full legal name must appear on the account statement together with the name of the trustee; and

(vii) The Member must receive copies of the statements to ensure that the information contained therein matches its own information regarding the transactions it executes.

(d) Notwithstanding the provisions of Rule 5.3.1(b), where a Member is affiliated with a fund manager and in connection with a specific client account is selling only the mutual fund securities of an issuer managed by such affiliated fund manager for that client account, the Member may rely on the affiliated fund manager to send the account statement required by paragraph (a)~~(i)~~ for that specific account.

~~5.3.2 **Automatic Payment Plans**. Notwithstanding the provisions of Rule 5.3.1 (a)(ii), where a Member holds client assets in nominee name and the only entry in the client's account in a month relates to the client's participation in:~~

~~(i)any automatic payment plan that provides for systematic trading in the securities of a mutual fund on a monthly or more frequent basis, or~~

~~(ii)other automatic entries such as dividends and reinvested distributions,~~

~~the Member shall send an account statement to the client quarterly.~~

5.3.3~~2~~ **Content of Account Statement**. Each account statement must contain the following information:

(a) (i) the type of account;

(ii) the account number;

(iii) the date the statement was issued;

(iv) the period covered by the statement;

(v) the name of the Approved Person(s) servicing the account, if applicable; and

(vi) the name, address and telephone number of the Member.

(b) for each transaction made for the client during the period covered by the statement:

(i) the date of the transaction;

(ii) whether the transaction was a purchase, sale or transfer;

(iii) the name of the security or investment purchased or sold;

(iv) the number of securities or investments purchased or sold;

(v) the price per security or investment paid or received by the client;

(vi) the total value of the transaction.

(c) as at the end of the period for which the statement is made: ~~for nominee name accounts or accounts where the Member acts as an agent for the trustee for the purposes of administering a self-directed registered retirement savings or similar plan:~~

(i) the name and quantity of each security or investment in the account; ~~the opening balance;~~

(ii) the market value of each security or investment in the account; ~~all debits and credits;~~

(iii) the total market value of each security or investment position in the account; ~~the closing balance;~~

(iv) any cash balance in the account;

(v) the total market value of all cash, securities and investments in the account.

~~(iv)the quantity and description of each security purchased, sold or transferred and the dates of each transaction, and;~~

~~(v)the quantity, description and market value of each security position held for the account;~~

~~(b)for client name accounts:~~

~~(i)all debits and credits;~~

~~(ii)the quantity and description of each security purchased, sold or transferred and the dates of each transaction; and~~

~~(iii)for automatic payment plan transactions, the date the plan was initiated, a description of the security and the initial payment amount made under the plan.~~

~~(c)for all accounts:~~

~~(d)the type of account;~~

~~(e)the account number;~~

~~(f)the date the statement was issued;~~

~~(g)the period covered by the statement;~~

~~(h)the name of the Approved Person(s) servicing the account, if applicable; and~~

~~(vi)~~(a) ~~the name, address and telephone number of the Member.~~

5.3.4<u>3</u> **Member Business Only**. Only transactions executed by the Member may appear on the statement of account required pursuant to Rule 5.3.3<u>2</u>.

5.4 TRADE CONFIRMATIONS

5.4.1 **Delivery of Confirmations**. Every Member who has acted as principal or agent in connection with any trade in a security shall promptly send by prepaid mail or deliver to the client a written confirmation of the transaction containing the information required under Rule 5.4.3. The Member need not send to its client a written confirmation of a trade in a security of a mutual fund where the manager of the mutual fund sends the client a written confirmation containing the information required to be sent under Rule 5.4.3.

5.4.2 **Automatic Payment Plans**. Where a transaction relates to a client's participation in an automatic payment plan that provides for systematic trading in the securities of a mutual fund on a monthly or more frequent basis, and the Member registers the mutual funds pursuant to the plan, the Member is required to send a trade confirmation for the initial purchase only.

5.4.3 **Content**. Every confirmation of trade sent to a client must set forth the following information:

(a) the quantity and description of the security;

(b) the price per share or unit at which the trade was effected;

(c) the consideration;

(d) the name of the Member;

(e) whether or not the Member is acting as principal or agent;

(f) if acting as agent, the name of the person or company from or to or through whom the security was bought or sold;

(g) the type of the account through which the trade was effected;

(h) the commission, if any, charged in respect of the trade;

(i) the amount deducted by way of sales, service and other charges;

(j) the amount, if any, of deferred sales charges;

(k) the name of the Approved Person, if any, in the transaction;

(l) the date of the trade; and

(m) the settlement date.

5.5 ACCESS TO BOOKS AND RECORDS

All books, records, documentation and other information required to be kept and maintained by a Member or Approved Person shall be available for review by the Corporation and the Corporation shall be entitled to make copies thereof and retain them for the purposes of carrying out its objects and responsibilities under the applicable securities legislation, the By-laws or the Rules.

5.6 RECORD RETENTION

Each Member shall retain copies of the records and documentation referred to in this Rule 5 for seven years from the date the record is created or such other time as may be prescribed by the Corporation.

SCHEDULE B

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

MFDA POLICY NO. 6

INFORMATION REPORTING REQUIREMENTS

On December 16, 2009, the Board of Directors of the Mutual Fund Dealers Association of Canada made the following amendments to:

MFDA POLICY NO. 6

INFORMATION REPORTING REQUIREMENTS

1. Introduction

This Policy establishes minimum requirements concerning events that Approved Persons are required to report to Members and events that Members are required to report to the MFDA pursuant to Rule 1.2.5.

Part A of this Policy, entitled "*Approved Person Reporting Requirements*", sets out details regarding the reporting of information under Rule 1.2.5(b) by Approved Persons.

Part B of this Policy, entitled *"Electronic Reporting Requirements for Members*", sets out details regarding reporting of information under Rule 1.2.5(a)(i) and Rule 1.2.5(a)(ii) by Members. All reporting under Part B must be submitted through the electronic reporting system provided by the MFDA. The reporting of events that are required to be submitted electronically by any other means is a failure to report the event and a failure to comply with this Policy.

Part C of this Policy, entitled "*Other Reporting Requirements for Members",* sets out details regarding reporting of information under Rule 1.2.5(a)(iii) by Members. All reporting under Part C must be submitted to the MFDA in writing.

In addition to these reporting requirements, MFDA Members are required to comply with other reporting requirements which may change from time to time, and which include but are not limited to:

(a) MFDA reporting requirements, some of which may also require MFDA approval:

(i) By-law No.1 section 13.7 – Reorganizations, mergers and amalgamations;

(ii) By-law No. 1 section 13.9 – Changes in ownership and control;

(iii) Rule 1.1.6 – Introducing/Carrying dealer arrangements;

(iv) Rule 3.1.1 – Change in dealer level;

(v) Rule 3.1.2 – Risk adjusted capital less than zero;

(vi) Rule 3.2.5 – Accelerated payment of long term debt; and

(vii) Rule 3.5 – Financial filing requirements

(b) reporting requirements under applicable provincial securities laws in connection with a Member's mutual fund dealer registration.

2. Definitions

"any jurisdiction" means any jurisdiction inside or outside of Canada.

"business day" means a day other than Saturday, Sunday or any officially recognized Federal or Provincial Statutory holiday.

"civil claim" includes civil claims pending before a court or tribunal and arbitration.

"client" means a person who is a client of the Member.

"compensation" means the payment of a sum of money, securities, reversal or inclusion of a securities transaction (whether the transaction has a realized or unrealized loss) or any other equivalent type of entry which is intended to compensate a client or offset an act of a Member or Approved Person. A correction of a client account or position as a result of good faith trading errors and omissions is not considered to be "compensation" for the purposes of this Policy.

"event" means a matter that is reportable under this Policy by a Member or Approved Person.

"law" includes, but is not limited to, all legislation of any jurisdiction and includes any rules, policies, regulations, rulings or directives of any securities regulatory authority of any jurisdiction.

"member business" means all business activities conducted by and through the Member, whether securities related or otherwise.

"misrepresentation" means:

(i) an untrue statement of fact, either in whole or in part; or

(ii) an omission to state a fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

"regulatory body" means, but is not limited to, any regulatory or self-regulatory organization that grants persons or organizations the right to deal with the public in any capacity.

"regulatory requirements" means, but is not limited to, the by-laws, rules, policies, regulations, rulings, orders, terms and conditions of registration, or agreements of any regulatory body in any jurisdiction.

"securities" includes exchange contracts, commodity futures contracts and commodity futures options.

"service complaints" means:

(i) any complaint by a client which is founded on customer service issues and is not the subject of any securities law or regulatory requirements; or

(ii) any complaint by a client as a result of a good faith trading error or omission.

3. General Reporting Requirements

3.1 Events regarding Members that must be reported shall not be limited solely to securities related business, but shall include all member business.

3.2 Events regarding Approved Persons that are reported by Approved Persons to the Member shall not be limited solely to securities related business and member business, but shall include all business conducted by the Approved Person.

3.3 The obligation to report an event under this Policy is limited to events of which a Member or Approved Person has become aware regardless of the means by which the Member or Approved Person became aware of the event. If the reporting timeframes have expired before the Member or Approved Person has become aware of the event, the event shall be reported immediately after the Member or Approved Person has become aware of such event.

3.4 A Member is expected to be aware of events relating to Approved Persons by the receipt of reports from Approved Persons and by carrying out the Member's supervisory, monitoring and review obligations over the conduct of its business.

3.5 All requirements to report events regarding former Approved Persons are limited to events which occurred while the Approved Person was an Approved Person of the Member.

3.6 A Member shall designate a compliance officer at its head office (or another person at head office) to whom reports made by Approved Persons, as required by section 4, shall be submitted.

3.7 Documentation associated with each event required to be reported under this Policy shall be maintained for a minimum of 7 years from the resolution of the matter and made available to the MFDA upon request.

PART A
APPROVED PERSON REPORTING REQUIREMENTS

4. Approved Person Reporting Requirements

4.1. An Approved Person shall report the following events to his or her current Member in such detail as required by the Member, within 2 business days:

(a) the Approved Person is the subject of a client complaint in writing;

(b) the Approved Person is aware of a complaint from any person, whether in writing or any other form, and with respect to him or herself, or any other Approved Person, involving allegations of:

(i) theft, fraud, misappropriation of funds or securities, forgery, money laundering, market manipulation, insider trading, misrepresentation, or unauthorized trading; or

(ii) engaging in securities related business outside of the Member.

(c) whenever the Approved Person has reason to believe that he or she has or may have contravened, or is named as a defendant or respondent in any proceeding, in any jurisdiction, alleging the contravention of:

(i) any securities law; or

(ii) any regulatory requirements.

(d) the Approved Person is charged with, convicted of, pleads guilty or no contest to, any criminal offence, in any jurisdiction;

(e) the Approved Person is named as a defendant in a civil claim, in any jurisdiction, relating to the handling of client accounts or trading or advising in securities;

(f) the Approved Person is denied registration or a license that allows the Approved Person to deal with the public in any capacity by any regulatory body, or has such registration or license cancelled, suspended or terminated, or made subject to terms and conditions;

(g) the Approved Person becomes bankrupt or suspends payment of debts generally or makes an arrangement with creditors or makes an assignment or is declared insolvent;

(h) there are garnishments outstanding or rendered against the Approved Person in any civil court in Canada.

PART B
ELECTRONIC REPORTING REQUIREMENTS FOR MEMBERS

5. General Member Electronic Reporting Requirements

5.1. Members shall report the following events to the MFDA, through an electronic reporting system provided by the MFDA, within 5 business days of the occurrence of the event, except for events reported under section 6.1(a) of this Policy, which must be reported to the MFDA within 20 business days.

6. General Events to be Reported

6.1. Members shall report to the MFDA:

(a) all client complaints in writing, against the Member or a current or former Approved Person, relating to member business, except service complaints;

(b) whenever a Member is aware, through a written or verbal complaint or otherwise, that the Member or any current or former Approved Person has or may have contravened any provision of any law or has contravened any regulatory requirement, relating to:

(i) theft, fraud, misappropriation of funds or securities, forgery, money laundering, market manipulation, insider trading, misrepresentation, or unauthorized trading; or

(ii) engaging in securities related business outside of the Member.

(c) whenever the Member, or a current or former Approved Person, is:

(i) charged with, convicted of, pleads guilty or no contest to, any criminal offence, in any jurisdiction;

(ii) named as a defendant or respondent in, or is subject of, any proceeding or disciplinary action, in any jurisdiction, alleging contravention of any securities law;

(iii) named as a defendant or respondent in, or is the subject of, any proceeding or disciplinary action, in any jurisdiction, alleging contravention of regulatory requirements;

(iv) denied registration or a license that allows a person to deal with the public in any capacity by any regulatory body, or has such registration or license cancelled, suspended or terminated, or made subject to terms and conditions;

(v) named as a defendant in a civil claim, in any jurisdiction, relating to handling of client accounts or trading or advising in securities.

(d) whenever an Approved Person becomes bankrupt or suspends payment of debts generally or makes an arrangement with creditors or makes an assignment or is declared insolvent;

(e) there are garnishments outstanding or rendered against the Member or an Approved Person in any civil court in Canada.

7. Reporting of Resolution of Events

7.1. Members shall update event reports previously reported to reflect the resolution of any event that has been reported pursuant to section 6.1 of this Policy and such resolutions shall include but not be limited to:

(a) any judgments, awards, arbitration awards or orders and settlements in any jurisdiction;

(b) compensation paid to clients directly or indirectly, or any benefit received by clients from a Member or Approved Person directly or indirectly;

(c) any internal disciplinary action or sanction against an Approved Person by a Member;

(d) the termination of an Approved Person;

(e) the results of any internal investigation conducted.

8. Other Events to be Reported

8.1. For matters that are not the subject of an event report in section 6.1 of this Policy, the Member shall report to the MFDA:

(a) whenever the Member has initiated disciplinary action that involves suspension, demotion or the imposition of increased supervision on an Approved Person;

(b) whenever the Member has initiated disciplinary action that involves the withholding of commissions or the imposition of a financial penalty in excess of $1000;

(c) whenever an employment or agency relationship with an Approved Person is terminated and the Notice of Termination filed with the applicable securities commission discloses that the Approved Person was terminated for cause, or discloses information regarding internal discipline matters or restrictions for violations of regulatory requirements;

(d) whenever the Member or Approved Person has paid compensation to a client either directly or indirectly in an amount exceeding $15,000.

PART C
OTHER REPORTING REQUIREMENTS FOR MEMBERS

9. Other Information Reporting Requirements for Member

9.1 Members shall report the events under Part C of this Policy to the MFDA, in writing, within 5 business days of the occurrence of the event, except for events reported under section 10 of this Policy, which must be reported to the MFDA immediately.

10. Bankruptcy, Insolvency and Related Events

10.1 Members must report to the MFDA whenever:

(a) the Member is declared bankrupt;

(b) the Member makes a voluntary assignment in bankruptcy;

(c) the Member makes a proposal under any legislation relating to bankruptcy or insolvency;

(d) the Member is subject to, or instituting any proceedings, arrangement or compromise with creditors;

(e) a receiver and/or manager assumes control of the Member's assets.

11. Change of Name

11.1. Members must report to the MFDA any change with respect to:

(a) the legal name of the Member;

(b) the names under which the Member carries on business (trade or style names);

(c) trade, business or style names, other than that of the Member, used by Approved Persons. The name of the Approved Person, the trade or business name the Approved Person is using, and the Approved Person's branch location must be provided.

12. Change of Contact Information

12.1. Members must notify the MFDA of any change in address for service or main telephone or fax number.

13. Change in Member Registration or Licensing

13.1. Members must report to the MFDA any changes in the following:

(a) type of registration or licensing with the relevant securities commission;

(b) jurisdictions in which any dealer business of the Member is conducted; and

(c) investment products traded or dealt in.

14. Changes in Organizational Structure

14.1. Members must report to the MFDA any changes in a Member's directors, chief executive officer, ultimate designated person, chief compliance officer, chief financial officer, or chief operating officer or individuals performing the functional equivalent of any of those positions~~directors, partners (in the case of a partnership), officers and compliance officers~~.

15. Other Business Activities

15.1. Members must report to the MFDA any business, other than the sale of investment products, which the Member engages in or proposes to engage in.

16. Change of Auditor

16.1. Members must report to the MFDA any change in a Member's auditor and/or audit engagement partner. A new Letter of Acknowledgement (Schedule H.1 of the MFDA Membership Application Package) must be submitted to the MFDA.

Chapter 25

Other Information

25.1 Exemptions

25.1.1 BetaPro Management Inc. et al. – s. 19.1 of NI 41-101 General Prospectus Requirements

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – NI 41-101 – Relief to file a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, ss. 2.3(1), 19.1, 19.3.

December 9, 2009

Fasken Martineau DuMoulin LLP

Attention: Munier Saloojee

Dear Sir:

Re: BetaPro Management Inc. (the Manager)
Horizons BetaPro U.S. NYMEX Crude Oil ETF and Horizons BetaPro U.S. NYMEX Natural Gas ETF (the ETFs)
Exemptive Relief Application under Section 19.1 of National Instrument 41-101 General Prospectus Requirements ("NI 41-101")
Application No., SEDAR Project No. 1475185

By letter dated December 3, 2009 (the "**Application**"), the Manager applied on behalf of the ETFs to the Director of the Ontario Securities Commission (the "**Director**") pursuant to section 19.1 of NI 41-101 for relief from the operation of subsection 2.3(1) of NI 41-101, which prohibits an issuer from filing a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director grants the requested exemption to be evidenced by the issuance of a receipt for the Funds' prospectus, provided the Funds' final prospectus is filed no later than March 11, 2010.

Yours very truly,

"Vera Nunes"
Assistant Manager, Investment Funds Branch

25.1.2 Sprott Physical Gold Trust – Part 19 of National Instrument 41-101 General Prospectus Requirements

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptive relief granted to closed end fund that invests in gold bullion – fund a foreign private issuer and not an investment company in the U.S. – offering primarily intended for U.S. investors – fund initially filed prospectus confidentially as contemplated under section G of OSC Staff Notice 51-706 (2006) – relief granted only to extent that fund's prospectus deviates from prescribed headings and order of headings in Form 41-101F2 – fund's prospectus will comply with substantive disclosure requirements of Form 41-101F2.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, ss. 3.1(2), 19.1.

December 16, 2009

Heenan Blaikie
Bay Adelaide Centre
333 Bay Street, Suite 2900
P.O. Box 2900
Toronto, Ontario
M5H 2T4

Attention: Sonia Yung

Dear Sirs/Mesdames:

Re: Sprott Physical Gold Trust (the "Trust")
Exemptive Relief Application under Part 19 of National Instrument 41-101 *General Prospectus Requirements* ("NI 41-101")
Application No. 2009/0792, SEDAR Project No. 1513451

By letter dated December 9, 2009 (the "Application"), the Trust applied to the Director of the Ontario Securities Commission (the "Director") under section 19.1 of NI 41-101 for relief from sub-section 3.1(2) of NI 41-101. The relief is requested only to the extent that the Trust's prospectus does not comply with the headings prescribed by Form 41-101F2 and the headings appear in a different order than that mandated by Form 41-101F2 (the "Requested Relief").

This letter confirms that, based on the information and representations made in the Application and for the purposes described in the Application, the Director intends

to grant the Requested Relief to be evidenced by the issuance of a receipt for the Trust's prospectus.

Yours very truly,

"Darren McKall"
Assistant Manager, Investment Funds Branch

Index