The Ontario Securities Commission

OSC Bulletin

January 14, 2005

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

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JANUARY 14, 2005

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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Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

TBA	**Yama Abdullah Yaqeen**
	s. 8(2)
	J. Superina in attendance for Staff
	Panel: RLS/ST/DLK
TBA	**Brian Peter Verbeek** and Lloyd Hutchison Ebenezer Bruce*
	s.127
	K. Manarin in attendance for Staff
	Panel: WSW/ST
	* Lloyd Bruce settled November 12, 2004
January 24, 2005	**Andrew Campbell**
10:00 a.m.	s. 127 & 127.1
	G. Mackenzie in attendance for Staff
	Panel: PMM/ST/DLK
January 24, 2005	**Wells Fargo Financial Canada Corporation**
10:00 a.m.	s. 127 & 127.1
	G. Mackenzie in attendance for Staff
	Panel: PMM/ST/DLK
April 11 to May 13, 2005, except Tuesdays	**Philip Services Corp. *et al***
	s. 127
10:00 a.m.	K. Manarin in attendance for Staff
	Panel: PMM/RWD/ST
January 26, 27 31 and February 1, 2 and 3, 2005	**Cornwall *et al***
	s. 127
10:00 a.m.	K. Manarin in attendance for Staff
	Panel: HLM/RWD/ST

March 29-31, 2005 April 1, 4, 6-8, 11-14, 18, 20-22, 25-29, 2005 May 2, 4, 12, 13, 16, 18-20, 30, 2005 June 1-3, 2005 10:00 a.m.	**ATI Technologies Inc., Kwok Yuen Ho, Betty Ho, JoAnne Chang, David Stone, Mary de La Torre, Alan Rae and Sally Daub** s. 127 M. Britton in attendance for Staff Panel: SWJ/HLM/MTM
May 30, June 1, 2, 3, 6, 7, 8, 9 and 10, 2005 10:00 a.m.	**Buckingham Securities Corporation, David Bromberg*, Norman Frydrych, Lloyd Bruce* and Miller Bernstein & Partners LLP (formerly known as Miller Bernstein & Partners)** s. 127 J. Superina in attendance for Staff Panel: TBA * David Bromberg settled April 20, 2004 * Lloyd Bruce settled November 12, 2004

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

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

1.1.2 RS Market Integrity Notice – Notice of Commission Approval – Provisions Respecting Practice and Procedure

MARKET REGULATION SERVICES INC.

AMENDMENT TO THE UNIVERSAL MARKET INTEGRITY RULES
AMENDMENTS TO POLICY 10.8 – PROVISIONS RESPECTING PRACTICE AND PROCEDURE

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission has approved amendments to sections 1.1, 3.2, 4.2, 8.1(1), 9.4, 9.7(4), 10.2(1), 10.3(1) and 10.3(2) of Policy 10.8 of the Universal Market Integrity Rules (UMIR) respecting the practice and procedure to be followed in a disciplinary proceeding. In addition, the Alberta Securities Commission, the British Columbia Securities Commission, the Manitoba Securities Commission and the Autorité des marchés financiers have also approved the amendments. A copy and description of the amendments was published on April 30, 2004 at (2004) 27 OSCB 4445. Two comment letters were received. The final version of the amendments and a summary of the comments received are published in Chapter 13 of this Bulletin.

1.1.3 CSA Staff Notice 51-314 – Retirement Benefits Disclosure

CSA STAFF NOTICE 51-314 – RETIREMENT BENEFITS DISCLOSURE

1. Purpose

We understand that a number of issuers are presently considering providing enhanced disclosure on retirement benefits payable to executives that goes beyond that which is mandated by current securities law requirements. The purpose of this Notice is to provide guidance from CSA staff (except for staff in British Columbia, which is not participating in the notice) to issuers that choose in this way to broaden their disclosure. The requirements for executive compensation disclosure are found in Form 51-102F6 *Statement of Executive Compensation* of National Instrument 51-102 *Continuous Disclosure Obligations* (the Form).

2. Commentary

The complexity of compensation mechanisms has grown steadily in recent years, making it more difficult for investors to understand what executives are paid and how that compensation is determined. Current requirements in the Form provide a general framework for disclosure on many different types of compensation. We understand that some issuers are thinking about how to provide disclosure that goes beyond the strict requirements of the Form.

In particular, some issuers are considering disclosing additional information on the value of retirement benefit plans, such as supplementary pension plans granted to senior executives. Although Item 6 of the Form (Defined Benefit or Actuarial Plan Disclosure) requires some disclosure related to pensions, this requirement does not result in the disclosure of the overall value of a benefit plan for each executive. Additional disclosure could include, among other information:

i) the total retirement benefit liability of the issuer associated with each executive;

ii) the total service costs in respect of the plan during the past year; and

iii) the estimated annual benefits payable on retirement to specific executives.

This information could be set out in narrative form or could be represented in a table.

We acknowledge that this additional disclosure is not technically required by the Form or by any other aspect of securities law. However, when companies choose to provide this additional disclosure, we believe it is important that the disclosure specify:

(a) that these are estimated amounts based on assumptions, which represent contractual entitlements that may change over time;

(b) that the method used to determine any estimated amounts will not be identical to the method used by other issuers and as a result the figures may not be directly comparable across companies; and

(c) the key assumptions.

These assumptions include, but are not necessarily limited to:

- **Retirement:** Issuers will need to make assumptions about the length of time an officer will remain employed. For example, will the officer work until a standard retirement age (such as 65) or retire at an earlier date?

- **Vesting:** Some pension benefits will not vest until a future date and their current value will need to be estimated for disclosure purposes.

- **Increases in compensation:** Issuers must take into account future pay increases granted to executives when estimating a value for retirement benefits. Potential future earnings affect the value of the benefit to the executive, as typically, these benefits are based on the executive's income in the years immediately before retirement. Issuers must also consider how to reflect any changes to the disclosure when actual amounts differ from what was originally estimated and disclosed.

- **Interest rates:** Issuers must determine whether to use pre-tax or after-tax interest rates when determining the value of benefits granted to executives.

- **Employee Contributions:** Where the pension plan includes employee contributions, issuers may wish to disclose whether such contributions are included in estimated figures for benefits or liabilities and how they are taken into account.

CICA Handbook section 3461 requires disclosure in financial statements of significant assumptions used in accounting for employee future benefits for the enterprise as a whole. Where appropriate, we believe the assumptions used for financial statement purposes should be consistent with those used for the purpose of individual executive compensation disclosure. Major differences in assumptions should be highlighted and explained.

For some of these matters, it may be useful to provide disclosure reflecting different possible assumptions. For example, in respect of vesting, disclosure could be made both to reflect an executive's current entitlement and to reflect an assumption that all benefits are immediately vested. In respect of retirement date, disclosure could be

made to reflect an executive's entitlement both if he or she retired immediately and at the standard retirement date.

It may also be appropriate to disclose the key contractual terms of the relevant benefit plan, particularly when they are unusual or when their impact is significant. For example, under some plans, the executive is ultimately credited for benefit calculation purposes with a number of years' service in excess of that actually worked. In such cases, we believe that it would be appropriate to identify this contractual provision and to reflect it in the stated assumptions.

Additional information on executive pensions is likely to be most useful to investors if it is clearly identified and is included with the issuer's other disclosure on executive compensation, contained in the issuer's proxy circular.

We will continue to monitor developments in this area and may decide in the future that amendments to executive compensation disclosure requirements are warranted.

Questions may be referred to:

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Nova Scotia Securities Commission
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Halifax, Nova Scotia B3J 2P8
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E-mail: slattejw@gov.ns.ca

Saskatchewan Financial Services Commission
Ian McIntosh CA
Deputy Director – Corporate Finance
Securities Division
Regina, Saskatchewan S4P 3V7
Telephone: (306) 787-5867
E-mail: imcintosh@sfsc.gov.sk.ca

January 14, 2005.

1.1.4 TSX Inc. – Changes to the Market-On-Close System

THE TORONTO STOCK EXCHANGE – CHANGES TO THE MARKET-ON-CLOSE SYSTEM

REQUEST FOR COMMENTS

A request for comments on the amendments to the Rules of the Toronto Stock Exchange (Rule Book) for three changes to existing Market On Close procedures is published in Chapter 13 of the Bulletin.

1.1.5 Notice of Commission Approval – Housekeeping Amendments to MFDA By-law No.1, Section 8 – For the Protection of Directors, Officers and Others

THE MUTUAL FUND DEALERS ASSOCIATION (MFDA)

AMENDMENTS TO MFDA BY-LAW NO. 1, SECTION 8 – FOR THE PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved the amendments to MFDA By-law No. 1, Section 8 regarding the protection of directors, officers and other individuals, such as employees and agents. In addition, the Alberta Securities Commission, Nova Scotia Securities Commission and Saskatchewan Financial Services Commission approved, and the British Columbia Securities Commission did not object to the amendments. The amendments clarify that the indemnification and protection provisions of Section 8 of MFDA By-law No. 1 apply to past and present members of the MFDA Board of Directors, its committees and sub-committees, MFDA committees and sub-committees, officers, employees or agents. The amendments would also extend the indemnification and protection provisions to members of a Regional Council, including a Hearing Panel, a committee or sub-committee. The amendments are housekeeping in nature. The description and a copy of the amendments are contained in Chapter 13 of this Ontario Securities Commission Bulletin.

1.3 News Releases

1.3.1 OSC Extends Temporary Cease Trade and Suspension Order in Marlow Proceedings

FOR IMMEDIATE RELEASE
January 4, 2005

OSC EXTENDS TEMPORARY CEASE TRADE AND SUSPENSION ORDER IN MARLOW PROCEEDINGS

The Ontario Securities Commission issued an Order today extending an amended temporary order, dated December 22, 2004, which cease traded and suspended the registrations of the Respondents Marlow Group Private Portfolio Management Inc., Marlow Group Securities Inc. and Terrence Marlow, until further order of the Commission. The Order was made on consent of the Respondents.

A copy of the Order and related Notice of Hearing and Statement of Allegations are on the OSC website at **www.osc.gov.on.ca**.

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Manager, Media Relations

416-595-8913

Michael Watson
Director of Enforcement
416-593-8156

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

1.3.2 CSA News Release - Canada's Securities Regulators Propose to Streamline Short Form Prospectus System

FOR IMMEDIATE RELEASE

CANADA'S SECURITIES REGULATORS PROPOSE TO STREAMLINE SHORT FORM PROSPECTUS SYSTEM

January 7, 2005 --Calgary, AB-- The Canadian Securities Administrators (CSA) are proposing to streamline the short form prospectus system to more fully integrate the disclosure systems for the primary and secondary markets and to update the current rules. The proposed changes are designed to allow issuers to efficiently access the capital markets by depending increasingly on their existing continuous disclosure record. The proposed rule also contemplates broadening access to the short form prospectus system to allow more issuers to benefit from the streamlined system.

“By harmonizing and integrating the short form prospectus regime with the new continuous disclosure regime, we are creating a seamless, integrated and expedited offering system,” commented Stephen Sibold, Chair of the CSA and of the Alberta Securities Commission. “The new system can allow issuers to respond more quickly and efficiently to market opportunities without diminishing the information and protection available to investors.”

While recent and ongoing developments are enhancing and harmonizing the continuous disclosure requirements for reporting issuers and investment funds, the proposed changes to the short form prospectus system are now possible given the improvements in continuous disclosure. These improvements are the result of the CSA’s increased focus and allocation of resources to reviews of continuous disclosure documents and processes. As well, advances in technology and the availability of continuous disclosure documents on the System for Electronic Document Analysis and Retrieval (SEDAR) have enhanced investors’ access to continuous disclosure documents.

The proposed rule is intended to replace the current short form prospectus distribution rule and related forms and companion policy that came into effect in all CSA jurisdictions on December 31, 2000. The proposed rule and other proposed consequential amendments to certain other national instruments are available on several CSA members' websites.

The CSA seek public comment on the proposed rule by April 8, 2005 and plan to implement the proposed rule in July, 2005. Depending in part on the comments received, the amendments proposed may be adopted in their entirety or in part.

The CSA is the council of the securities regulators of Canada's provinces and territories whose objectives are to improve, coordinate and harmonize regulation of the Canadian capital markets.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Storm Energy Ltd. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from continuous disclosure requirements in connection with an arrangement.

Applicable National Instrument

National Instrument 51-102 - Continuous Disclosure Obligations.

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, BRITISH COLUMBIA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND & LABRADOR AND YUKON TERRITORY

AND

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

AND

IN THE MATTER OF
STORM ENERGY LTD., HARVEST ENERGY TRUST, ALTERNA TECHNOLOGIES GROUP INC. AND ROCK ENERGY INC.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Newfoundland & Labrador and Yukon Territory (the "**Participating Jurisdictions**") has received an application from Storm Energy Ltd. ("**Storm**") in connection with a proposed plan of arrangement (the "**Arrangement**") involving Storm, Harvest Energy Trust ("**Harvest**"), Harvest Operations Corp. ("**Harvest Operations**"), Alterna Technologies Group Inc. ("**Alterna**"), Rock Energy Inc. ("**Rock**") and the shareholders of Storm (the "**Shareholders**"), which is to be effected pursuant to section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**"), which application (a) requests relief from the requirements in the securities legislation of the Participating Jurisdictions (the "**Legislation**") that Storm include in the information circular and proxy statement sent to the Shareholders in connection with the Arrangement (the "**Information Circular**") prospectus level disclosure in respect of Rock, and (b) requests relief from requirements in the Legislation that Storm include in the Information Circular certain financial statements in respect of Alterna.

2. **AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "**MRRS**"), the Alberta Securities Commission is the principal regulator for this application.

3. **AND WHEREAS**, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Québec Securities Commission Notice 14-101.

4. **AND WHEREAS** Storm has represented to the Decision Makers that:

4.1 Through the series of steps occurring in connection with the Arrangement, (i) Storm will transfer certain of its assets, including oil and gas exploration prospects, to Alterna, (ii) Harvest Operations will acquire all of the issued and outstanding common shares of Storm (the "**Storm Shares**"), such that Storm will become a wholly-owned subsidiary of Harvest Operations, (iii) Harvest Operations and Storm will amalgamate and continue as a new corporation ("**New Harvest Operations**"), and (iv) Storm will distribute to its current Shareholders, in specie, all of the common shares of Rock ("**Rock Shares**") held by Storm.

4.2 The Arrangement will result, through a series of transactions, in Shareholders ultimately receiving for each Storm Share held (i) either one common share of Alterna or cash in the amount of $1.90, (ii) either 0.281 of a Trust Unit, 0.281 of an Exchangeable Share or cash in the amount of $4.15, and (iii) 0.053 of a Rock Share.

4.3 Following the completion of the Arrangement, former holders of Storm Shares will own approximately 95% of the outstanding Alterna Shares and approximately 18% of the outstanding Rock Shares.

4.4 A meeting (the "**Meeting**") of the Shareholders to vote upon the Arrangement will be held on or about June 28, 2004 and it is anticipated that, subject to receiving the required approval at the Meeting, the Arrangement will be made effective on or about June 29, 2004.

4.5 The Information Circular in respect of the Arrangement will be mailed to by Storm to the Shareholders on or about June 7, 2004.

4.6 Storm is a corporation incorporated pursuant to the ABCA on July 10, 2002. The head and principal office of Storm is located at Suite 3300, 205 - 5th Ave. S.W., Calgary, Alberta, T2P 2V7 and the registered office is located at Suite 3300, 421 - 7th Ave S.W., Calgary, Alberta, T2P 4K9.

4.7 Storm is engaged in the exploration for, and the acquisition, development and production of, oil and natural gas, primarily in the provinces of Alberta, Saskatchewan and British Columbia.

4.8 The authorized capital of Storm currently consists of an unlimited number of Storm Shares and an unlimited number of first preferred shares, second preferred shares and third preferred shares, each issuable in series. As at April 18, 2004, 29,892,302 Storm Shares were issued and outstanding. Storm also has reserved a total of 2,684,824 Storm Shares for issuance pursuant to the outstanding stock options.

4.9 The Storm Shares are listed and posted for trading on the Toronto Stock Exchange ("**TSX**").

4.10 Storm is a reporting issuer or the equivalent thereof in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec. Storm has filed all the information that it has been required to file as a reporting issuer in each of the Provinces of British Columbia, Alberta, Manitoba, Ontario and Quebec and is not in default of the Legislation in any of these jurisdictions.

4.11 The closing price of the Storm Shares on the TSX on May 7, 2004 was $6.55.

4.12 Alterna was incorporated under the ABCA in 1996 and continued under the Canada Business Corporations Act in 1998. The registered office of Alterna is located at 3700, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2.

4.13 Alterna was previously engaged in the development of treasury management software. From 1998 to 2003, Alterna incurred substantial losses in the operation of its business. In December 2003, Alterna's software development business was sold to a third party. Alterna currently has no employees and its business activities consist solely of settling outstanding accounts receivable and accounts payable.

4.14 Alterna is a privately held corporation, is not a reporting issuer in any jurisdiction and its securities are not listed on any stock exchange.

4.15 The financial year end of Alterna is October 31.

4.16 To the best of Storm's knowledge, information and belief, Alterna incurred no material expenditures and had no material income or loss for the period January 1, 2004 to March 31, 2004.

4.17 Rock was incorporated pursuant to the *Company Act* (British Columbia) on February 15, 1988 under the name "Prime Equities Inc.". On October 25, 1991, the name of the corporation was changed to "Prime Equities International Corporation". On August 11, 1998, the name of the corporation was changed to "medEra Life Science Corporation". On January 4, 2000, the corporation was continued pursuant to the *Canada Business Corporations Act* and its name was changed to "Medbroadcast Corporation".

4.18 In October, 2003, Medbroadcast Corporation announced its plans to reorganize its business into a junior oil and gas company by leasing its website and related technology to a third party and acquiring Rock Energy Ltd., a private oil and gas company. On January 14, 2004, Medbroadcast Corporation acquired all of the shares of Rock Energy Ltd. and reconstituted its board of directors. On February 18, 2004, Medbroadcast Corporation was continued as an Alberta corporation and its name was changed to "Rock Energy Inc."

4.19 In December, 2002, Storm transferred oil and gas properties to Rock Energy Ltd. in exchange for 1,990,000 common shares

of Rock Energy Ltd. Following the acquisition of Rock Energy Ltd. by Medbroadcast Corporation, Storm held approximately 16% of the Rock Shares.

4.20 Rock is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Quebec and Nova Scotia and has been for at least four months.

4.21 The Rock Shares are listed and posted for trading on the TSX Venture Exchange. The closing price of the Rock Shares on the TSX Venture Exchange on May 7, 2004 was $4.35.

4.22 Harvest is an open-end, unincorporated trust governed by the laws of the Province of Alberta and created pursuant to a trust indenture dated September 27, 2002 between Harvest and Valiant Trust Company, as trustee.

4.23 The head and principal office of Harvest is located at 1900, 330 - 5th Avenue S.W., Calgary, Alberta, T2P 0L4.

4.24 Harvest is a reporting issuer in all of the provinces and territories of Canada and has been for at least four months. To the best of Storm's knowledge, information and belief, Harvest is not in default of the Legislation in any of the Participating Jurisdictions.

4.25 The Trust Units are listed and posted for trading on the TSX.

4.26 Harvest Operations is a wholly-owned operating subsidiary of Harvest Energy Trust.

4.27 The head and principal office of Harvest Operations is located at 1900, 330 - 5th Avenue S.W., Calgary, Alberta, T2P 0L4.

4.28 From its formation in 1996 until December 2003, Alterna's business involved the development of treasury management software. In December 2003, Alterna sold its software business to a third party and terminated its employees.

4.29 Alterna has audited annual financial statements for fiscal years ending on and prior to October 31, 2002. However, it is Storm's understanding that, as a result of the destruction of certain of Alterna's accounting data and the departure of certain key employees, it is not possible to prepare financial statements in respect of Alterna for the year ended October 31, 2003 or the three months ended January 31, 2004.

4.30 Mark A. Butler, Corporate Secretary of Alterna, has represented in a letter to the Alberta Securities Commission dated April 27, 2003 that:

4.30.1 upon the sale of its software business, all of the data from Alterna's computer system, including accounting records, was transferred to a server at the site of the purchaser of the business;

4.30.2 subsequent to such transfer, the purchaser's server experienced a power surge and accounting data relating to Alterna was lost; and

4.30.3 the manual accounting records kept subsequent to the date of the data loss will support the audit of a balance sheet as at March 31, 2004.

5. **AND WHEREAS** under the MRRS, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "**Decision**").

6. **AND WHEREAS** 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.

7. **THE DECISION** of the Decision Makers pursuant to the Legislation is that:

7.1 the requirement contained in the Legislation to include in the Information Circular:

7.1.1 annual statements of income, retained earnings and cash flows in respect of Alterna for the financial years ended October 31, 2003, 2002 and 2001 and an auditor's report thereon;

7.1.2 a balance sheet in respect of Alterna as at October 31, 2003 and 2002 and an auditor's report thereon;

7.1.3 interim statements of income, retained earnings and cash flows in respect of Alterna for

the three months ended January 31, 2003 and 2002; and

7.1.4 an interim balance sheet in respect of Alterna as at January 31, 2004;

shall not apply to Storm, provided that Storm shall include in the Information Circular an audited balance sheet in respect of Alterna as at March 31, 2004; and

7.2 the requirement contained in the Legislation to include in the Information Circular disclosure in respect of Rock Energy Inc. prescribed by the prospectus form requirements set forth in the Legislation shall not apply to Storm provided that Storm shall incorporate by reference into the Information Circular the audited balance sheet of Rock Energy Ltd. as at June 30, 2003 and December 21, 2002, the audited statements of income and retained earnings of Rock Energy Ltd. for the six months ended June 30, 2003 and the audited statements of cash flows of Rock Energy Ltd. for the period from incorporation on November 21, 2002 to December 31, 2002 and for the six-month period ended June 30, 2003.

June 8, 2004.

"Mavis Legg, CA"
Manager Securities Analysis

2.1.2 The Hertz Corporation and Hertz Canada Finance Co., Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Subsidiary of U.S. corporation where U.S. parent is credit supporter granted relief:

a) From continuous disclosure requirements and certification requirements, subject to conditions;

b) Issuer also exempt from requirement to file current reports of credit supporter on Form 8K whose contents and comprised solely of exhibits attaching the form of securities offered by the credit supporter in the United States and related documents;

c) Issuer also exempt from requirement to incorporate by reference in short form prospectus certain documents of credit supporter;

d) Issuer further exempt from eligibility requirement, prospectus requirements and reconciliation requirements of NI 44-101.

Applicable Instruments

National Instrument 44-101 Short Form Prospectus Distributions.
National Instrument 44-102 Shelf Distributions.
National Instrument 71-101 Multijurisdictional Disclosure System.
National Instrument 51-102 Continuous Disclosure Obligations.
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

December 23, 2004

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

AND

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

AND

IN THE MATTER OF
THE HERTZ CORPORATION AND
HERTZ CANADA FINANCE CO., LTD.
(COLLECTIVELY, THE "FILERS")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from The Hertz Corporation ("Hertz US") and its indirect wholly-owned subsidiary, Hertz Canada Finance Co., Ltd. (the "Issuer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the Filers:

(i) be exempted from the requirements in Section 2.5(l) of National Instrument 44-101 ("NI 44-101") and Section 2.5 of National Instrument 44-102 ("NI 44-102"), that Hertz US, as a person or company guaranteeing non-convertible debt securities issued by the Issuer, be a reporting issuer with a 12-month reporting history in a Canadian province or territory and have a current annual information form (as such term is defined in NI 44-101) (an "AIF") (the "Eligibility Requirement") in order to permit the Issuer to issue non-convertible debt securities, in particular medium term notes (the "Notes"), with an approved rating (as such term is defined in NI 44-101) (an "Approved Rating") which will be fully and unconditionally guaranteed by Hertz US, in connection with:

1. the Issuer's continuous offering of Notes (the "Proposed Offering") pursuant to an initial short form base shelf prospectus (the "Shelf Prospectus") and a pricing supplement or supplements (each a "Supplement", and together with the Shelf Prospectus, the "Prospectus"); and

2. any future offerings of Notes pursuant to renewal short form base shelf prospectuses and, if applicable, prospectus supplements and pricing supplements (collectively, "Renewal Prospectuses") upon the lapse of the Prospectus and Renewal Prospectuses or by filing additional short form base shelf prospectuses and, if applicable, prospectus supplements and pricing supplements (collectively, the "Future Offerings"), in one or more of the Jurisdictions;

(ii) except in Prince Edward Island, be exempted from the application of National Instrument 51-102 – Continuous Disclosure Obligations ("NI 51-102"), pursuant to s. 13.1 of NI 51-102, subject to certain conditions (such exemption to be effected in Québec by a revision of the general order that will provide the same result as an exemption order);

(iii) except in British Columbia, Prince Edward Island and Québec, be exempted from the application of Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("MI 52-109") pursuant to Section 4.5 of MI 52-109;

(iv) with respect to the Issuer's fiscal year ended December 31, 2003, be exempted from the requirements under sections 7.1, 7.4 and 7.5 of NI 44-101 and item 20 of Form 44-101F3 (i) that a short form prospectus filed by the Issuer (for greater certainty, comprising the Prospectus, any Renewal Prospectuses or other Future Offerings) include a reconciliation to Canadian generally accepted accounting principles ("GAAP") of the consolidated financial statements of Hertz US included in or incorporated by reference into such prospectus that have been prepared in accordance with GAAP in the United States and (ii) that, where such financial statements are audited in accordance with the standards of the Public Company Accounting Oversight Board in the United States ("U.S. GAAS"), Hertz US provide a statement by the auditor disclosing any material differences in the auditor's report and confirming that the auditing standards of the foreign jurisdiction are substantially similar to generally accepted auditing standards in Canada (collectively, the "Reconciliation Requirements");

(v) be exempted from the requirement that the Prospectuses, Renewal Prospectuses or other Future Offerings include the information set forth in items 7, 12.1(1) and 12.2 of Form 44-101F3 under NI 44-101 (the "Prospectus Requirements"); and

(vi) be exempted from item 13.2(2) of Form 44-101F3, provided that the Issuer incorporate by reference into the Prospectus, any Supplement and any

Renewal Prospectuses, all documents of Hertz US that would be required to be incorporated by reference in a Form S-3 or Form F-3 registration statement filed under the Securities Act of 1933 in the U.S. other than Non-Essential 8-Ks and any Hertz US quarterly reports on Form 10-Q prior to its then most recent quarterly report on Form 10-Q.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. Hertz US is a corporation incorporated under the laws of the State of Delaware on April 19, 1967. Hertz US is an indirect wholly-owned subsidiary of Ford Motor Company.

2. Hertz US is a leading car rental company. It, together with its affiliates, associates and independent licensees, rent and lease cars and light trucks, rent industrial and construction equipment and operate other businesses from approximately 7,200 locations throughout the United States and foreign countries and jurisdictions.

3. Hertz US is not a reporting issuer or the equivalent in any of the Jurisdictions.

4. Hertz US has been a reporting company under the United States Securities Exchange Act of 1934, as amended (the "1934 Act"), for more than 20 years.

5. Hertz US has filed with the United States Securities and Exchange Commission (the "SEC") all filings required to be made with the SEC under the 1934 Act during the last 12 months.

6. Hertz US is not registered or required to be registered as an investment company under the *Investment Company Act of 1990* of the United States of America, as amended.

7. Hertz US's corporate rating by Dominion Bond Rating Service Limited is "BBB(high)". Hertz US's outstanding long term debt is rated "Baa2" by Moody's Investor Services. As at June 30, 2004, Hertz US had more than US$6.1 billion in long term debt outstanding, including the portion of long term debt due on or before June 30, 2005.

8. The outstanding long-term debt of Hertz US currently has an Approved Rating and it is expected by Hertz US that its long-term debt will continue to receive an Approved Rating.

9. In connection with takedowns under a Hertz US base shelf prospectus in the U.S., Hertz US is required to file with the SEC current reports on Form 8-K (the "Non-Essential 8-Ks") whose contents are comprised solely of exhibits attaching the form of securities for each such takedown, the consent and opinion of counsel relating thereto and other documentation, all of a non-financial nature, that may be required to be filed with the SEC in connection with such takedowns. Hertz US currently has six outstanding base shelf prospectuses in the U.S. The Non-Essential 8-Ks are publicly available on the SEC's Internet website at www.sec.gov.

10. The Issuer was incorporated under the laws of the Province of Ontario on June 12, 1999, and is an indirect wholly-owned subsidiary of Hertz US. The head office of the Issuer is in Toronto, Ontario.

11. The Issuer is not currently a reporting issuer in any of the Jurisdictions.

12. The Issuer's primary business is to obtain financing in public markets in connection with the operations and affairs of affiliated companies, and it will have no other operations that are independent of Hertz US.

13. The Issuer proposes to file a short form base shelf prospectus in each of the Jurisdictions to qualify the distribution of Notes. The Issuer intends to effect Future Offerings by way of either filing Renewal Prospectuses upon the lapse of the Prospectus and each of the Renewal Prospectuses or by filing additional short form base shelf prospectuses in one or more of the Jurisdictions.

14. The Notes will be fully and unconditionally guaranteed by Hertz US as to payment of principal and interest when and as the same become due and payable, such that the holders thereof will be entitled to receive payment from Hertz US upon the failure by the Issuer to make any such payment.

15. The Notes will have an Approved Rating and it is expected by the Issuer that its publicly issued debt will continue to have an Approved Rating.

16. The Issuer may from time to time access Canadian debt capital markets other than by way of the Prospectus, Renewal Prospectuses or other Future Offerings.

17. The Issuer is ineligible to issue the Notes by way of a prospectus in the form of a short form base shelf prospectus under NI 44-101 and NI 44-102 as neither the Issuer nor Hertz US, as guarantor of the payments to be made by the Issuer under the Notes, is a reporting issuer with a 12-month reporting issuer history in any province or territory of Canada, and neither the Issuer nor Hertz US has a current AIF.

18. Hertz US satisfies the criteria set forth in paragraph 3.1(a) of National Instrument 71-101 ("NI 71-101") and is eligible to use the multi-jurisdictional disclosure system ("MJDS"), as set out in NI 71-101, for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure.

19. Except for the fact that the Issuer is not incorporated under United States law, an offering of Notes by the Issuer in the Jurisdictions would comply with the alternative eligibility criteria for offerings of non-convertible debt having an approved rating under the MJDS as set forth in Section 3.2 of NI 71-101.

20. Part 7 of NI 44-101 and item 20.1 of Form 44-101F3 of NI 44-101 require the reconciliation to Canadian GAAP of financial statements prepared in accordance with foreign GAAP that are included in a short form prospectus. Due to the implementation of National Instrument 52-107 - Acceptable Accounting Principles, Auditing Standards and Foreign Currency ("NI 52-107") and the corresponding changes to NI 44-101, this relief will no longer be required in respect of periods after January 1, 2004, as Hertz US will satisfy the requirements for exemptions for foreign issuers in sections 5.1(a) and 5.2(a) of NI 52-107.

21. In the circumstances, if Hertz US or the Issuer were to effect an offering of the Notes (being non-convertible debt securities with an approved rating) under NI 71-101, it would be unnecessary for (i) Hertz US to reconcile to Canadian GAAP its financial statements included in or incorporated by reference into the short form prospectus in connection with the issuance of the Notes or (ii) the Issuer to provide a statement by the auditor regarding the use of U.S. GAAS.

22. As a result of the Proposed Offering, the Issuer will become a reporting issuer or the equivalent under the Legislation and would therefore be subject to NI 51-102 and NI 52-109 unless the relief requested herein is granted.

23. Relying on the exemption in Section 13.4 of NI 51-102 would have the effect of requiring the Issuer to file with the Decision Makers all of the current reports on Form 8-K that Hertz US is required to file with the SEC.

24. Because the Issuer cannot rely upon the exemption in Section 13.4 of NI 51-102 as it will not be filing its Non-Essential 8-Ks with the Decision Makers, the Issuer cannot rely upon the exemption from NI 52-109 contained in that instrument.

Decision

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

The decision of the Decision Makers pursuant to the Legislation is that the Eligibility Requirement, the Prospectus Requirements and, with respect to the Issuer's fiscal year ended December 31, 2003, the Reconciliation Requirements shall not apply to the Proposed Offering, any Renewal Prospectuses and any Future Offerings so long as:

(a) the Issuer complies with all of the other requirements and procedures set out in NI 44-101 except as varied by this Decision or as permitted by NI 44-102;

(b) prior to the filing of the Prospectus, any Renewal Prospectuses or a short form base shelf prospectus in connection with other Future Offerings, Hertz US has filed with the Decision Makers, in electronic format under the Issuer's SEDAR profile, the following documents that Hertz US has filed under sections 13 and 15(d) of the 1934 Act since its last fiscal year-end:

(i) Hertz US's then most recent annual report filed on Form 10-K or an equivalent form ("Form 10-K");

(ii) Hertz US's quarterly report filed on Form 10-Q or an equivalent form ("Form 10-Q") for the then most recently completed fiscal quarter; and

(iii) any current reports of Hertz US filed on Form 8-K or an equivalent form during the then current fiscal year (other than Non-Essential 8-Ks);

(c) each Prospectus, Renewal Prospectus or short form base shelf prospectuses filed in connection with other Future Offerings

will be prepared pursuant to the procedures contained in NI 44-101 and NI 44-102 and comply with the requirements set out in Form 44-101F3:

(i) with the disclosure required by item 12.1(1) of Form 44-101F3 being addressed by incorporating by reference:

(A) the then most recent Hertz US Form 10-K filed with the SEC;

(B) Hertz US's then most recently quarterly report on Form 10-Q and current reports on Form 8-K of Hertz US (other than Non-Essential 8-Ks) filed with the SEC in respect of the financial year following the year that is the subject of the most recently filed Hertz US Form 10-K; and

(C) any material change reports filed by the Issuer;

(ii) with the disclosure required by item 12.2 of Form 44-101F3 being addressed by incorporating by reference the following documents filed with the SEC or the Decision Makers, as applicable, subsequent to the date of the particular Prospectus, any Renewal Prospectuses or short form base shelf prospectuses filed in connection with other Future Offerings but prior to the termination of the particular offering:

(A) any annual report on Form 10-K of Hertz US filed with the SEC;

(B) any quarterly report on Form 10-Q and current report on Form 8-K of Hertz US (other than Non-Essential 8-Ks) filed with the SEC; and

(C) any material change reports filed by the Issuer; and

(iii) with the disclosure required by item 7 of Form 44-101F3 of NI 44-102 being addressed by disclosure with respect to Hertz US in accordance with United States requirements;

(d) the Prospectus, any Renewal Prospectuses or short form base shelf prospectuses filed in connection with other Future Offerings will include or incorporate by reference all material disclosure concerning the Issuer and Hertz US in accordance with applicable securities laws;

(e) the Prospectus, any Renewal Prospectuses or short form base shelf prospectuses filed in connection with other Future Offerings will incorporate by reference disclosure made in Hertz US's then most recent Form 10-K (as filed under the 1934 Act) together with all Form 10-Qs for the then most recently completed fiscal quarter and any current reports on Form 8-Ks (other than Non-Essential 8-Ks) filed under the 1934 Act in respect of the financial year following the year that is the subject of Hertz US's then most recently filed Form 10-K and incorporate by reference any documents of the foregoing type filed after the date of the Prospectus, any Renewal Prospectuses or short form base shelf prospectuses filed in connection with other Future Offerings and prior to termination of the particular offering;

(f) Hertz US undertakes to file with the Decision Makers, in electronic format under the Issuer's SEDAR profile, the following documents that it files under sections 13 and 15(d) of the 1934 Act: Hertz US's annual reports on Form 10-K, all quarterly reports on Form 10-Q and any current reports on Form 8-K (other than Non-Essential 8-Ks) until such time as the Notes are no longer outstanding;

(g) the consolidated annual and interim financial statements of Hertz US and its subsidiaries dated on or after January 1, 2004 to be included in or incorporated by reference into the Prospectus, any Renewal Prospectus or other Future Offerings will be prepared in accordance with National Instrument 52-107 – Acceptable Accounting Principles, Auditing Standards and Reporting Currency;

(h) the consolidated annual and interim financial statements of Hertz US and its

subsidiaries dated prior to January 1, 2004, that will be included or incorporated by reference in the Prospectus, any Renewal Prospectuses or other Future Offerings will be prepared in conformity with generally accepted accounting principles in the United States that the SEC has identified as having substantial authoritative support, as supplemented by Regulation S-X and Regulation S-B under the 1934 Act (U.S. GAAP), and, in the case of audited consolidated annual financial statements will be audited in accordance with U.S. GAAS as supplemented by the SEC's rules on auditor independence;

(i) Hertz US will fully and unconditionally guarantee the payments to be made by the Issuer as stipulated in the terms of the Notes or in an agreement governing the rights of holders of Notes (the "Noteholders") such that the Noteholders shall be entitled to receive payment from Hertz US within 15 days of any failure by the Issuer to make a payment as stipulated;

(j) the Notes will have an Approved Rating;

(k) Hertz US will sign each Prospectus, Renewal Prospectus or short form base shelf prospectus filed in connection with other Future Offerings as credit supporter;

(l) Hertz US remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Issuer; and

(m) Hertz US continues to satisfy the criteria set forth in Section 3.1 of NI 71-101 (or any successor provision) and remains eligible to use MJDS (or any successor instrument) for the purposes of distributing Approved Rating non-convertible debt securities in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure.

THE FURTHER DECISION of the Decision Makers (other than the Decision Makers in Prince Edward Island) pursuant to the Legislation is that the requirements of NI 51-102 shall not apply to the Issuer provided that:

(a) the Issuer is in compliance with the requirements and conditions of section 13.4 of NI 51-102, other than the requirement in subsection 13.4(2)(d); and

(b) the Issuer files with the Decision Makers copies of all of the documents required to be filed by Hertz US with the SEC except for the Non-Essential 8Ks, which the Issuer shall not be required to file with the Decision Makers.

THE FURTHER DECISION of the Decision Makers (other than the Decision Makers in British Columbia, Prince Edward Island and Québec) is that the requirements of MI 52-109 shall not apply to the Issuer provided that the Issuer is in compliance with the conditions set out in paragraphs (a) and (b) of the Decision above.

THE FURTHER DECISION of the Decision Makers is that item 13.2(2) of Form 44-101F3, which would require the Issuer to incorporate by reference into the Prospectus (including, for greater certainty, any pricing supplements), any Renewal Prospectuses and any short form base shelf prospectuses filed in connection with Future Offerings, all documents of Hertz US that would be required to be incorporated by reference in a Form S-3 or Form F-3 registration statement filed under the Securities Act of 1933 in the U.S., shall not apply to the Issuer, provided that the Issuer will be required to incorporate by reference into the Prospectus (including, for greater certainty, any pricing supplement), any Renewal Prospectuses and any short form base shelf prospectuses filed in connection with Future Offerings, all documents of Hertz US that would be required to be incorporated by reference in a Form S-3 or Form F-3 registration statement filed under the Securities Act of 1933 in the U.S., other than the Non-Essential 8-Ks and any Hertz US quarterly reports on Form 10-Q prior to its then most recent quarterly report on Form 10-Q.

"Charlie MacCready"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.3 TD Waterhouse Private Investment Counsel Inc. - MRRS Decision

Headnote

TD WATERHOUSE PRIVATE INVESTMENT COUNSEL INC.

Mutual Reliance Review System for Exemptive Relief Applications – relief from certain filing requirements of MI 33-109 in connection with a bulk transfer of business locations and registered and non-registered individuals under an internal reorganization.

Applicable Rule

MI 33-109 – Registration Information.

October 28, 2004

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

AND

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

AND

IN THE MATTER OF
TD WATERHOUSE PRIVATE INVESTMENT COUNSEL INC.

MRRS DECISION DOCUMENT

Background

On September 24, 2004 the local securities regulatory authority or regulator (the Decision Maker) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (the Jurisdictions) received an application from TD Waterhouse Private Investment Counsel Inc. (TDWPIC or the Filer) for a decision pursuant to Part 7 of Multilateral Instrument 33-109 *Registration Information* (the Legislation) exempting the Filer and TD Asset Management Inc. (TDAM) from certain requirements of the Legislation to permit TDAM to bulk transfer to the Filer the registered and non-registered individuals (the PIC Representatives) that are associated on the National Registration Database (NRD) with the branch office locations (the PIC Locations) of TDAM's Private Investment Counsel division (the PIC Division) (the Requested Relief).

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

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

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. The Filer is a wholly-owned subsidiary of TDAM. It was incorporated on August 13, 2004 for the sole purpose of acquiring the PIC Division from TDAM.

2. The Filer has applied to become registered as an investment counsel and portfolio manager or their equivalent in each of the Jurisdictions and Quebec and as a limited market dealer in Ontario and in Newfoundland and Labrador.

3. TDAM is a wholly-owned subsidiary of The Toronto-Dominion Bank (TD Bank), a bank listed in Schedule I to the *Bank Act* (Canada). It is incorporated under the *Business Corporations Act* (Ontario).

4. TDAM conducts an investment management business through eight distinct divisions which offer passive, quantitative, enhanced and active portfolio management services to a large and diversified client base.

5. TDAM is registered as an investment counsel and portfolio manager or their equivalent in all Jurisdictions and Quebec, as a limited market dealer in Ontario and in Newfoundland and Labrador, as a mutual fund dealer in Quebec and Nova Scotia and as a commodity trading manager under the *Commodity Futures Act* (Ontario).

6. To the best of the Filer's knowledge, neither the Filer nor TDAM is in default of any of the requirements of the securities legislation of the Jurisdictions.

7. TDAM proposes to transfer its PIC Division to the Filer (the Restructuring) as the first step of a rebranding strategy that is intended to bring all of TD Bank's wealth management businesses under the TD Waterhouse banner.

8. The PIC Division utilizes model portfolios, which include mutual funds managed by TDAM, to provide customized investment management strategies to clients having $30,000 or more of investable assets who grant the PIC Division the authority to manage their assets on a discretionary basis.

9. The Restructuring is scheduled to become effective at a point in time following the close of business on October 29, 2004 that is prior to the opening of business on November 1, 2004.

10. The Restructuring will involve the transfer of 23 branch office locations and approximately 100 registered and non-registered individuals, of which approximately 40 individuals are registered in more than one Jurisdiction.

11. Section 3.2 of Companion Policy 33-109CP to the Legislation (the Companion Policy) provides that if a registered firm is acquiring a large number of business locations (for example, as a result of an amalgamation or asset purchase) from one or more other registered firms that are located in the same jurisdictions and registered in the same categories as the acquiring firm, and if a significant number of individuals are associated on NRD with the locations, the securities regulatory authority or regulator will consider exempting the firms and individuals involved in the transaction from certain filing requirements.

12. As the result of NRD systems constraints and the significant number of branch office locations and individuals to be transferred to the Filer pursuant to its acquisition of the PIC Division from TDAM, it would be unnecessarily difficult, costly and time consuming to conduct the transfer as a separate and distinct transfer of each branch office location and each registered and non-registered individual while ensuring that all such transfers occur at the same time in order to preclude any disruption of individual registrations or PIC Division business activity.

13. Within two months of the date of the Restructuring, the Applicants will arrange for the bulk transfer of all affected individuals and locations as contemplated by the Companion Policy.

Decision

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

It is the decision of the Decision Makers pursuant to the Legislation that the Requested Relief is granted and that the following requirements of the Legislation shall not apply to the Filer in respect of the registered and non-registered individuals that will be transferred from TDAM to the Filer:

(a) the requirement to submit a notice regarding the termination of each employment, partner, or agency relationship under section 4.3 of the Legislation;

(b) the requirement to submit a notice regarding each individual who ceases to be a non-registered individual under section 5.2 of the Legislation;

(c) the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of the Legislation;

(d) the requirement to submit a Form 33-109F4 for each non-registered individual under section 3.3 of the Legislation; and

(e) the requirement under section 3.1 of the Legislation to notify the regulator of a change to the business location information in Form 33-109F3.

"David M. Gilkes"

2.1.4 Newalta Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications — issuer exempt from registration and prospectus requirements in connection with the distribution of the issuer's units pursuant to a distribution reinvestment plan

Applicable Ontario Statutory Provisions

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

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, MANITOBA, ONTARIO,
QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND, NEWFOUNDLAND AND
LABRADOR, NORTHWEST TERRITORIES, YUKON
TERRITORY AND NUNAVUT

AND

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

AND

IN THE MATTER OF
NEWALTA INCOME FUND

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut (the "Jurisdictions") has received an application from Newalta Income Fund (the "Fund") for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirements contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a final prospectus before effecting a trade that is a distribution (the "Registration and Prospectus Requirements") shall not apply to the distribution of units of the Fund ("Units") issued pursuant to a distribution reinvestment plan, subject to certain conditions;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 *Definitions* or Québec Commission Notice 14-101;

AND WHEREAS the Fund has represented to the Decision Makers that:

1. The Fund is an open-end investment trust established pursuant to a deed of trust dated January 16, 2003 (the "Deed of Trust") and governed by the laws of the Province of Alberta. The head office of the Fund is located at 1200, 333 - 11th Avenue S.W., Calgary, Alberta T2R 1L9.

2. The principal undertaking of the Fund is to indirectly hold the property and assets of Newalta Corporation ("Newalta"). The Fund participates in the cash flow generated by the business carried on by Newalta (namely the processing and recovery of resalable products from waste materials) through its ownership of all of the issued and outstanding common shares of Newalta and the unsecured subordinated notes of Newalta.

3. Newalta is responsible for the management and general administration of the affairs of the Fund, including without limitation the timing and terms of future offerings of Units, pursuant to an administration agreement dated January 13, 2003.

4. The Fund has been a reporting issuer or the equivalent under the Legislation of British Columbia, Alberta, Manitoba, Ontario and Québec since March 2003 following the completion of an arrangement under the *Business Corporations Act* (Alberta) pursuant to which, among other things, the Fund became the sole holder of the issued and outstanding common shares of Newalta and the former holders of such shares became holders of Units ("Unitholders") of the Fund. To the best of its knowledge, the Fund is not in default of any requirements of the Legislation of such Jurisdictions.

5. The Fund is authorized to issue an unlimited number of Units, each of which represents an equal fractional undivided beneficial interest in, and ranks equally and rateably with all other Units with respect to, any distribution from the Fund and in any net assets of the Fund in the event of the termination or winding-up of the Fund. Each Unit entitles the holder thereof to one vote at all meetings of Unitholders or in respect of any written resolution of Unitholders.

6. The Units are listed and posted for trading on the Toronto Stock Exchange (the "TSX"). As of June 9, 2004, there were 27,230,099 Units issued and outstanding.

7. In accordance with the terms of the Deed of Trust, the Fund makes regular cash distributions ("Cash Distributions") to its Unitholders in an amount per Unit equal to a *pro rata* share of all cash amounts received by the Fund in each distribution period,

less certain expenses and other amounts. Until otherwise determined by the Trustees, Cash Distributions are declared and paid monthly.

8. The Trustees of the Fund have approved, subject to receipt of necessary regulatory approvals, a distribution reinvestment plan (the "Plan") pursuant to which eligible Unitholders will be able, at their option, to direct that Cash Distributions paid on their Units be applied to the purchase of additional Units ("DRIP Units") for their account directly from the Fund.

9. DRIP Units issued under the Plan will be purchased directly from the Fund by the trust company that is appointed as agent under the Plan (the "Plan Agent") on the relevant distribution payment date at a price equal to 95% of the volume weighted average trading price of the Units on the TSX for the 10 trading days preceding the applicable distribution payment date, all in accordance with the terms of the Plan.

10. DRIP Units purchased by the Plan Agent for the account of eligible Unitholders who have enrolled in the Plan ("Participants") will be registered in the name of the Plan Agent (or its nominee) and credited to appropriate Participants' accounts.

11. From and after the effective time of a Unitholder's enrolment under the Plan, and until the Unitholder's participation in the Plan is terminated, all Cash Distributions on Units registered in the name of the Unitholder (including any Units that may become registered in the name of that Unitholder after the initial time of enrolment) or held for the Unitholder's account under the Plan, will be automatically reinvested in DRIP Units in accordance with the terms of the Plan.

12. Participants who enroll in the Plan are free to terminate their enrollment by providing written notice to the Plan Agent in accordance with the terms of the Plan. A notice of termination must be received not less than the number of business days specified in the Plan prior to a distribution record date in order to be effective for the purposes of the Cash Distribution to which that record date relates. Notices of termination received after that time will be effective only for the purposes of the next following Cash Distribution and thereafter.

13. The Fund intends to make the Plan available to all Unitholders who are resident in Canada and, if appropriate under U.S. federal securities laws, the United States. Residents of any foreign jurisdiction with respect to which the issue of DRIP Units by the Fund under the Plan would not be lawful will not be able to participate in the Plan.

14. No commissions, brokerage fees or service charges will be payable by Participants in connection with the purchase of DRIP Units under the Plan.

15. The Plan permits full investment of reinvested Cash Distributions because fractions of Units, as well as whole Units, may be credited to Participants' accounts under the Plan (although, in the case of a person who holds their Units and participates in the Plan through a broker, financial institution or other nominee, the crediting of fractional Units may depend on the policies of that broker, financial institution or other nominee).

16. The Fund (or its administrator, as applicable) reserves the right to determine, for any distribution payment date, the number of DRIP Units (if any) that will be available for purchase under the Plan.

17. If, in respect of any distribution payment date, full reinvestment under the Plan of the aggregate Cash Distributions otherwise payable to Participants would result in the Fund exceeding the maximum number of DRIP Units available for purchase under the Plan for that distribution period, then purchases of DRIP Units on the applicable distribution payment date will be prorated among all Participants according to the number of DRIP Units that would, in the absence of any proration, have been purchased on their behalf under the Plan.

18. If the Fund (or its administrator, as applicable), determines that no DRIP Units will be available for purchase under the Plan for a particular distribution payment date, or to the extent that the availability of DRIP Units is prorated in accordance with the terms of the Plan, then Participants will receive the usual Cash Distribution for that distribution payment date.

19. The Fund (or its administrator, as applicable) reserves the right to amend, suspend or terminate the Plan at any time, provided that such action shall not have a retroactive effect that would prejudice the interests of the Participants. The Fund will provide notice of any such amendment, suspension or termination in accordance with the terms of the Plan and applicable securities laws.

20. The distribution of DRIP Units by the Fund pursuant to the Plan cannot be made in reliance on the registration and prospectus exemptions contained in the Legislation of certain of the Jurisdictions for the reinvestment of dividends, interest or distributions of capital gains or out of earnings or surplus, as the Plan involves the reinvestment of the distributable cash flow of the Fund, which may not fall into any of these categories.

21. Additionally, the distribution of DRIP Units by the Fund pursuant to the Plan cannot be made in reliance on the registration and prospectus

exemptions contained in the Legislation of certain of the Jurisdictions for distribution reinvestment plans of mutual funds, as the Fund is not a "mutual fund" as defined in the Legislation of the relevant Jurisdictions because the Unitholders are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in a part of the net assets of the Fund.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Registration and Prospectus Requirements shall not apply to the distribution by the Fund of DRIP Units to the Participants pursuant to the Plan provided that:

(a) at the time of the trade the Fund is a reporting issuer or the equivalent in a jurisdiction listed in Appendix B of Multilateral Instrument 45-102 *Resale of Securities* ("MI 45-102") and is not in default of any requirements of such Legislation;

(b) no sales charge is payable by Participants in respect of the distribution;

(c) the Fund has caused to be sent to each Participant, not more than twelve months before the trade, notice of their right to withdraw from the Plan and instructions on how to exercise that right;

(d) except in Québec, the first trade of DRIP Units will be a distribution or primary distribution to the public under the Legislation unless the conditions in paragraphs 2 through 5 of subsection 2.6(3) of MI 45-102 are satisfied; and

(e) in Québec, the first trade of DRIP Units acquired under the Plan will be a distribution unless:

(i) at the time of the first trade, the Fund is a reporting issuer in Québec and is not in default of any of the requirements of securities legislation of Québec;

(ii) no unusual effort is made to prepare the market or to create a demand for the DRIP Units that are the subject of the first trade;

(iii) no extraordinary commission or consideration is paid to a person or company other than the vendor of the DRIP Units respect of the first trade;

(iv) if the vendor of the DRIP Units is an insider of the Fund, the vendor has no reasonable grounds to believe that the Fund is in default of any requirement of the Legislation of Québec.

August, 27 2004.

“Paul Moore” “Harold P. Hands”

2.1.5 Household Financial Corporation Limited and Household Finance Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Canadian subsidiary of MJDS-eligible U.S. issuer permitted to issue medium term notes using a short form prospectus with U.S. issuer acting as credit supporter – Relief granted from prospectus requirements to (a) reconcile financial statements to Canadian GAAP, (b) provide earnings coverage information, and (c) incorporate by reference the materials required by Form NI 44-101F3, including current reports of credit supporter on Form 8-K that do not relate to the financial condition or material change in affairs of the guarantor and non-current reports of credit supporter on Form 10-Q – Relief subject to certain conditions, including the filing under the issuer's SEDAR profile of alternative financial disclosure in respect of the issuer and other disclosure documents filed by the credit supporter with the U.S. Securities and Exchange Commission.

Applicable National Instruments

National Instrument 44-101 Short Form Prospectus Distributions and Form 44-101F3 Short Form Prospectus.
National Instrument 44-102 Shelf Distributions.
National Instrument 51-102 Continuous Disclosure Obligations.
National Instrument 71-101 The Multijurisdictional Disclosure System.

December 23, 2004

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

(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
HOUSEHOLD FINANCIAL CORPORATION LIMITED AND
HOUSEHOLD FINANCE CORPORATION
(THE FILERS)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from Household Finance Corporation (HFC) and its affiliate, Household Financial Corporation Limited (HFCL or the Issuer) for a decision pursuant to the securities legislation of the Jurisdictions (the Legislation) that the Filers:

(i) be exempted from the requirements in Section 2.5(l) of National Instrument 44-101 (NI 44-101) and Section 2.5 of National Instrument 44-102 (NI 44-102), that the person or company guaranteeing non-convertible debt issued by the Issuer be a reporting issuer with a 12-month reporting history in a Canadian province or territory and have a current annual information form (as such term is defined in NI 44-101) (an AIF) (the Eligibility Requirement) in order to permit the Issuer to issue non-convertible debt securities, in particular medium term notes (the Notes), with an approved rating (as defined in NI 44-101) (an Approved Rating) which will be fully and unconditionally guaranteed by HFC or a successor entity (the Guarantor) pursuant to one or more short form base shelf prospectuses and, if applicable, prospectus supplements and pricing supplements filed in each of the Jurisdictions (collectively, Prospectuses) (any issue of Notes being referred to as an Offering);

(ii) be exempted, for the purposes of a Prospectus, from the prospectus disclosure requirements and reconciliation requirements set out in Sections 7.1 and 7.4 of NI 44-101, Section 8.4 of NI 44-102 and items 7, 12.1(1), 12.2, 13.1 and 20 of Form 44-101F3 (collectively, the Prospectus Disclosure and Reconciliation Requirements); and

(iii) be exempted, for the purposes of a Prospectus, from item 13.2(2) of Form 44-101F3, provided that the Issuer incorporate by reference into a Prospectus, all documents of the Guarantor that would be required to be incorporated by reference in a Form S-3 or Form F-3 registration statement filed under the *Securities Act of 1933* in the U.S. other than Non-Essential 8-Ks (as defined below) and quarterly reports on Form 10-Q, other than the Guarantor's quarterly report filed on Form 10-Q for its then most recently completed fiscal quarter since its last fiscal year-end (if any).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. HFC was incorporated under the laws of the State of Delaware in 1925 and is not a reporting issuer or the equivalent in any of the Jurisdictions. HFC is a wholly-owned subsidiary of Household International, Inc. (HI), a Delaware incorporated company and a reporting company under the United States *Securities Exchange Act of 1934* (the 1934 Act).

2. HFC offers real estate secured loans, auto finance loans, MasterCard ™ and Visa ™ credit cards, private label credit cards, tax refund anticipation loans and other types of unsecured loans to consumers in the United States. Where applicable laws permit, HFC also offers credit and specialty insurance to customers in connection with its products. HFC's (including its consolidated subsidiaries) managed receivables at June 30, 2004 was approximately US$110.8 billion and its net income for the period ended June 30, 2004 was approximately US$992.3 million.

3. HFC is a reporting company under the 1934 Act and has filed with the Securities and Exchange Commission (the SEC) annual and quarterly reports on Form 10-K and Form 10-Q, respectively, during the past 12 months, in accordance with the filing obligations set out in the 1934 Act.

4. HFC currently has outstanding non-convertible securities with an Approved Rating and it is expected that the Guarantor will have outstanding non-convertible securities with an Approved Rating.

5. In connection with takedowns under a HFC base shelf prospectus in the U.S., HFC is required to file with the SEC current reports on Form 8-K whose contents are comprised solely of exhibits attaching the form of securities for each such takedown, the consent and opinion of counsel relating thereto and other documentation, all of a non-financial nature, that may be required to be filed with the SEC in connection with such takedowns (the Non-Essential 8-Ks). The Non-Essential 8-Ks are publicly available on the SEC's Internet website at www.sec.gov.

6. HFCL, formerly Household Securities Limited, was incorporated by Letters Patent on September 9, 1947, pursuant to a predecessor to the *Business Corporations Act* (Ontario). HFCL changed its name from Household Securities Limited to Household Financial Corporation Limited on August 13, 1975 when a Certificate and Articles of Amendment were issued. The head office of HFCL is located in Toronto, Ontario.

7. The authorized share capital of HFCL consists of 100,000 common shares (Shares), of which 90,002 Shares were outstanding as at September 30, 2004. All of the Shares are owned, directly or indirectly by HI. In addition to the Shares, HFCL also has outstanding Notes and commercial paper, all of which are fully guaranteed by HFC. As at September 30, 2004, HFCL and its consolidated subsidiaries had approximately Cdn.$2.3 billion in Notes and approximately Cdn.$94.3 million in commercial paper outstanding. The Notes and the commercial paper are the only securities of HFCL that are held by the public.

8. HFCL coordinates the activities of, arranges the funding of, and furnishes administrative services for its subsidiaries. HFCL offers a diversified range of consumer financial services to the Canadian public through a network of approximately 111 retail branches. These services include consumer loans, mortgages, retail finance, revolving credit and the acceptance of deposits. They are offered by HFCL through four principal operating subsidiaries: Household Finance Corporation of Canada, Household Realty Corporation Limited, Household Finance Corporation Inc. and Household Trust Company.

9. HFCL is a reporting issuer or the equivalent in the Jurisdictions and is not included in a list of defaulting reporting issuers maintained by any of the Decision Makers.

10. HFCL has maintained a medium term note program in the Jurisdictions by way of a short form shelf prospectus for more than 10 years.

11. By MRRS Decision Document dated August 13, 2004, entitled *In the Matter of Household Finance Corporation and Household Financial Corporation Limited* (the August 2004 Decision), the Decision Makers exempted the Issuer from complying with National Instrument 51-102 – *Continuous Disclosure Obligations* subject to the Issuer satisfying certain conditions, including filing Annual Selected Financial Information and Interim Selected Financial Information (as defined below).

12. The Issuer proposes to file a Prospectus in each of the Jurisdictions to renew the Issuer's medium term note program (the Proposed Offering) and intends to in the future file additional Prospectuses for future Offerings (Future Offerings).

13. The Issuer may from time to time access Canadian debt capital markets other than by way of the Proposed Offering or Future Offerings.

14. HFC satisfies the criteria set forth in paragraph 3.1(a) of National Instrument 71-101 – *The Multijurisdictional Disclosure System* (NI 71-101) and is eligible to use the multijurisdictional disclosure system (MJDS), as set out in NI 71-101, for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure.

15. Except for the fact that HFCL is not incorporated under United States law, an offering of Notes by the Issuer in the Jurisdictions would comply with the alternative eligibility criteria for offerings of non-convertible debt having an approved rating under the MJDS, as set forth in Section 3.2 of NI 71-101.

16. The Issuer is ineligible to issue the Notes by way of a prospectus in the form of a short form base shelf prospectus under NI 44-101 and NI 44-102 as the Guarantor (as credit supporter of the Notes) is not a reporting issuer with a 12 month reporting issuer history in any province or territory of Canada and neither the Issuer nor the Guarantor has (or will have) a current AIF.

17. In connection with an Offering (which, for greater certainty, includes the Proposed Offering and any Future Offerings):

    (i) prior to filing a Prospectus, the Guarantor will have filed with the Decision Makers, in electronic format under the Issuer's SEDAR profile, the following documents filed by the Guarantor under sections 13 and 15(d) of the 1934 Act since its last fiscal year-end:

        (a) the Guarantor's then most recent annual report filed on Form 10-K or an equivalent form (Form 10-K);

        (b) the Guarantor's quarterly report filed on Form 10-Q or an equivalent form (Form 10-Q) for the then most recently completed fiscal quarter; and

        (c) any current reports of the Guarantor filed on Form 8-K or an equivalent form (Form 8-K) during the then current fiscal year (other than Non-Essential 8-Ks);

    (ii) each Prospectus will be prepared pursuant to the procedures contained in NI 44-101 and NI 44-102 and will comply with the requirements set out in Form 44-101F3, with:

        (a) the disclosure required by Item 12.1(1) of Form 44-101F3 being addressed by incorporating by reference the Guarantor's public disclosure documents listed in Paragraph 17(i) above and any material change reports filed by the Issuer;

        (b) the disclosure required by item 12.2 of Form 44-101F3 being addressed by incorporating by reference the following documents filed with the SEC or the Decision Makers, as applicable,

subsequent to the date of the relevant Prospectus but prior to the termination of the particular Offering:

A. any annual report on Form 10-K of the Guarantor filed with the SEC;

B. any quarterly report on Form 10-Q of the Guarantor filed with the SEC;

C. any current report on Form 8-K of the Guarantor filed with the SEC (other than Non-Essential 8-Ks); and

D. any material change reports filed by the Issuer;

(c) the financial information disclosure required by Item 13.1 of Form 44-101F3 being addressed by incorporating by reference the following documents of the Issuer (as applicable):

A. for the Issuer's most recently completed financial year for which annual financial information has been filed, either (i) its annual comparative financial statements prepared in accordance with Canadian generally accepted accounting principles, together with a report of the Issuer's auditors thereon, or (ii) the following annual comparative selected financial information for such completed financial year (provided that such year begins on or after January 1, 2004) and the financial year preceding such financial year (collectively, the Annual Selected Financial Information), derived from the Issuer's financial statements prepared in accordance with Canadian generally accepted accounting principles, together with a specified procedures report of the Issuer's auditors (or such other line items that provide substantially similar disclosure):

(i) total revenue net of interest expense and credit losses;

(ii) net income;

(iii) net receivables, investments and accrued interest, together with a descriptive note on the allowance for credit losses;

(iv) total assets;

(v) short-term debt - commercial paper;

(vi) long-term debt;

(vii) total debt;

(viii) accounts payable and accrued liabilities;

(ix) total liabilities; and

(x) total shareholder's equity, and

B. for the Issuer's most recently completed interim period for which interim financial information has been filed, either (i) its interim comparative financial statements prepared in accordance with Canadian generally accepted accounting principles, or (ii) the following interim comparative selected financial information, derived from the Issuer's financial statements prepared in accordance with Canadian generally accepted accounting principles, for its most recently completed interim period (for financial years beginning on or after January 1, 2004) (collectively, the Interim Selected Financial Information) (or such other line items that provide substantially similar disclosure):

(i) total revenue net of interest expense and credit losses;

(ii) net income;

(iii) net receivables, investments and accrued interest, together with a descriptive note on the allowance for credit losses;

(iv) total assets;

(v) short-term debt - commercial paper;

(vi) long-term debt;

(vii) total debt;

(viii) accounts payable and accrued liabilities;

(ix) total liabilities; and

(x) total shareholder's equity;

provided that the Issuer shall only be entitled to incorporate by reference any Annual Selected Financial Information or Interim Selected Financial Information under this Decision if such information was filed in accordance with the August 2004 Decision and was filed at a time when the Issuer's presentation of a Non-Classified Balance Sheet (as defined in the August 2004 Decision) was permitted under Canadian generally accepted accounting principles;

(d) with the disclosure required by Item 7 of Form 44-101F3 and Section 8.4 of NI 44-102 being addressed by disclosure with respect to the Guarantor in accordance with United States requirements;

(iii) each Prospectus will include or incorporate by reference all material disclosure concerning the Issuer (consisting primarily of the financial information specified in Paragraph 17(ii)(c) above) and the Guarantor.

(iv) each Prospectus will state that purchasers of Notes will not receive separate continuous disclosure information regarding the Issuer, other than the financial information specified in Paragraph 17(ii)(c) above;

(v) the Guarantor will undertake to file with the Decision Makers, in electronic format under the Issuer's SEDAR profile, the Guarantor's public disclosure documents listed in Paragraphs 17(i) and 17(ii)(b) above until such time as the Notes are no longer outstanding;

(vi) the consolidated annual and interim financial statements of the Guarantor to be included in or incorporated by reference into a Prospectus will be prepared in accordance with U.S. GAAP (as defined in National Instrument 52-107 – Acceptable Accounting Principles, Auditing Standards and Reporting Currency (NI 52-107)) and will otherwise comply with the requirements of U.S. law, and, in the case of the Guarantor's audited annual financial statements, such financial statements will be audited in accordance with U.S. GAAS (as defined in NI 52-107) and will be prepared and audited in accordance with NI 52-107;

(vii) the Guarantor will fully and unconditionally guarantee the payments to be made by the Issuer as stipulated in the terms of the Notes or in an agreement governing the rights of holders of Notes;

(viii) the Notes will have an Approved Rating at the time of issuance; and

(ix) the Guarantor will sign each Prospectus as credit supporter.

Decision

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

The decision of the Decision Makers pursuant to the Legislation is that the Filers be exempted from the Eligibility Requirement and the Prospectus Disclosure and Reconciliation Requirements in connection with any Offering (which, for greater certainty, includes the Proposed Offering and any Future Offering) provided that:

(a) each of the Issuer and the Guarantor, as applicable, complies with paragraph 17 above;

(b) the Issuer complies with all of the other requirements and procedures set out in NI 44-101 except as permitted by NI 44-102 or as varied by this Decision;

(c) the Guarantor, or the Guarantor's direct or indirect 100% parent entity, owns, directly or indirectly, 100% of the voting shares of the Issuer;

(d) the Guarantor satisfies the criteria set forth in Section 3.1 of NI 71-101 (or any successor provision) and remains eligible to use MJDS (or any successor instrument) for the purposes of distributing Approved Rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure; and

(e) the relief from the Prospectus Disclosure and Reconciliation Requirements will cease to be effective upon (and only to the extent that) amendments to NI 44-101 and NI 44-102 (as applicable) come into force, which would have substantially the same effect as the relief from the Prospectus Disclosure and Reconciliation Requirements provided for herein.

The further decision of the Decision Makers is that the provision of item 13.2(2) of Form 44-101F3 which would require the Issuer to incorporate by reference into a Prospectus (including, for greater certainty, any pricing supplements) all documents that would be required to be incorporated by reference in a Form S-3 or Form F-3 registration statement filed under the Securities Act of 1933 in the U.S. shall not apply to the Issuer, provided that the Issuer will be required to incorporate by reference into a Prospectus (including, for greater certainty, any pricing supplement) all documents of the Guarantor that would be required to be incorporated by reference in a Form S-3 or Form F-3 registration statement filed by the Guarantor under the Securities Act of 1933 in the U.S. other than Non-Essential 8-Ks and quarterly reports on Form 10-Q, other than the Guarantor's quarterly report filed on Form 10-Q for its then most recently completed fiscal quarter since its last fiscal year-end (if any).

"Charlie MacCready"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.6 The Toronto-Dominion Bank (TD) and Teck Cominco Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications — director is member of audit committee for two different issuers — member has adult son who does not share a home with the member — adult son is partner of firm that audits each issuer — adult son has not participated in firm's audit and assurance or tax compliance practice, nor worked on either issuer's audit — member of audit committee would be independent under New York Stock Exchange rules until issuer's first annual meeting after June 30, 2005 — member not barred from being independent as a result of adult child's partnership with audit firm, subject to conditions, including sunset clause

Applicable Ontario Rules

Multilateral Instrument 52-110 Audit Committees (2004) 27 O.S.C.B. 3252, ss. 1.4, 9.1.

December 9, 2004

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

AND

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

AND

IN THE MATTER OF
THE TORONTO-DOMINION BANK (TD) AND TECK COMINCO LIMITED (TECK COMINCO AND, COLLECTIVELY, THE FILERS)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) that the provision of Multilateral Instrument 52-110 *Audit Committees* which deems a director to be not independent if an adult child of that director has a prescribed relationship with the Filer's external auditor (the Requested Relief) does not apply to the Filers.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision. The term "PwC LLP" means PricewaterhouseCoopers LLP.

Representations

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

1. TD is a Schedule 1 chartered bank governed by the *Bank Act* (Canada) with its head office located in Toronto, Ontario. It is a reporting issuer (or equivalent) in every jurisdiction, and is not in default of its obligations under the Legislation. The common shares of TD are listed on the Toronto Stock Exchange, the New York Stock Exchange and the Tokyo Stock Exchange. TD is also a "foreign private issuer" under U.S. securities laws.

2. Teck Cominco is a corporation subsisting under the laws of Canada with its head office located in Vancouver, British Columbia. It is a reporting issuer (or equivalent) in every jurisdiction, and is not in default of its obligations under the Legislation. Teck Cominco's common shares are listed on the Toronto Stock Exchange and its convertible subordinated debentures are listed on the American Stock Exchange. Teck Cominco is also a "foreign private issuer" under U.S. securities laws.

3. Each of the Filers will be required to comply with the provisions of Multilateral Instrument 52-110, including the requirement that its audit committee be comprised solely of "independent directors", commencing with their annual meetings to be held in 2005.

4. PwC LLP is one of the two auditors of TD and is the sole auditor of Teck Cominco.

5. A director (the Director) who is a member of each Filer's audit committee has an adult son (the Son) who does not share a home with the director. The Son is a partner of PwC LLP. Since March 31, 2004, the Son has not participated in PwC LLP's audit and assurance or tax compliance practices, nor worked on either Filer's audit.

6. The Director would be considered to be an "independent director" for the purposes of SEC Rule 10A-3 and the independence standards of the American Stock Exchange and, until the first

annual meeting after June 30, 2005, the independence standards of the New York Stock Exchange.

Decision

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

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

(a) the Son does not share a home with the Director;

(b) the Son does not participate in PwC LLP's audit and assurance or tax compliance practices, nor work on either Filer's audit; and

(c) the Requested Relief expires with respect to each Filer upon the date of the Filer's first annual meeting of shareholders after June 30, 2005.

"Erez Blumberger"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.7 Chariot Resources Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications — venture issuers exempt from audit committee independence requirements — upon completion of offering, issuer to cease to be a venture issuer — issuer granted 90 day exemption from audit committee independence requirements to permit issuer to recruit additional independent directors — relief conditional upon one member of audit committee being independent — relief also conditional upon disclosure in prospectus

Applicable Ontario Rules

Multilateral Instrument 52-110 Audit Committees (2004) 27 O.S.C.B. 3252, ss. 3.1, 9.1.

December 9, 2004

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR AND YUKON TERRITORY (THE JURISDICTIONS)

AND

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

IN THE MATTER OF
CHARIOT RESOURCES LIMITED
(THE FILER)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that, for a period of 90 days commencing on the date the receipt for the Prospectus (defined below), the Filer be exempt from the requirement in the Legislation that every audit committee member must be independent (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. The Filer is a corporation existing under the *Business Corporations Act* (British Columbia). The head office of the Filer is located in Lima, Peru.

2. The Filer is currently a reporting issuer in the provinces of British Columbia and Alberta and the Yukon Territory and its common shares are listed on the TSX Venture Exchange. As at November 4, 2004, the Filer had a market capitalization of approximately C$10.9 million. The Filer is currently a "venture issuer" within the meaning of Multilateral Instrument 52-110 *Audit Committees* (**MI 52-110**).

3. The Filer has a financial year-end of April 30 and held its last annual shareholders meeting on October 21, 2004.

4. The Filer has filed a preliminary prospectus dated November 5, 2004 in each of the provinces of Canada offering units of the Filer (the **Offering**) and has selected Ontario as the principal jurisdiction. The Filer has also applied to list its common shares on the Toronto Stock Exchange effective upon completion of the Offering.

5. The board of directors of the Filer is currently comprised of four directors. The Filer's audit committee is currently comprised of Bob Baxter, John Hannaford and Ulrich Rath. Mr. Hannaford is independent and financially literate within the meaning of MI 52-110. Messrs. Baxter and Rath are financially literate within the meaning of MI 52-110.

6. The Filer currently intends to add three new directors as follows:

   (a) on or before the date that the Filer's (final) prospectus in connection with the Offering (the **Prospectus**) is filed, the Filer will add a new director (the Filer is permitted under the *Corporations Act* (British Columbia) and its constating documents to add one new director between shareholders meetings without shareholder approval); and

   (b) following the completion of the Offering, the Filer intends to seek shareholder approval to increase the size of its board of directors to seven and add two new directors.

7. The three new directors will be elected at the shareholders meeting referred to in paragraph 6 above to serve until the Filer's next annual shareholders meeting.

8. Each of the three new directors will be independent and financially literate within the meaning of MI 52-110. The director referred to in paragraph 6(a) above will be added to the audit committee on or before the date that the Prospectus is filed. The other two directors referred to in paragraph 6(b) above will be added to the audit committee following the shareholders meeting.

9. Following the completion of the Offering, the Filer will no longer qualify as a "venture issuer" and will be required under MI 52-110 to have an audit committee comprised of at least three directors each of whom is independent within the meaning of MI 52-110.

10. Under the *Business Corporations Act* (British Columbia), the Filer cannot increase the size of its board by more than one-third without shareholder approval.

11. Following the completion of the Offering two of the three members of the audit committee will be independent within the meaning of MI 52-110.

Decision

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

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

   (a) one member of the audit committee is independent within the meaning of MI 52-110; and

   (b) the Filer discloses in its Prospectus the existence, nature and conditions of this decision.

"Erez Blumberger"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.8 Aquila Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application by reporting issuer to be deemed to have ceased to be a reporting issuer in British Columbia, Alberta and Ontario – issuer not a reporting issuer or equivalent in any other jurisdiction in Canada – Canadian residents beneficially own less than 2% of the issuer's securities and represent less than 2% of the issuer's total number of securityholders – issuer's shares voluntarily delisted from the TSX in November 2002 – no securities of the issuer trade on any market or exchange in Canada – issuer subject to reporting requirements under U.S. securities legislation – shares of the issuer listed on New York Stock Exchange – issuer has issued and filed a press release announcing that it has submitted an application to be deemed to have ceased to be a reporting issuer – issuer has undertaken to securities regulatory authorities to continue to deliver all disclosure materials required by U.S. securities law to be delivered to securityholders resident in the United States to its securityholders in Canada – issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., s.83.

December 31, 2004

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

AND

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

AND

IN THE MATTER OF
AQUILA INC. (THE FILER)

MRRS DECISION DOCUMENT

Background

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

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. the Filer was originally incorporated as Missouri Public Service Company in 1917 and was subsequently reincorporated in Delaware as UtiliCorp United Inc. in 1985; in March 2002 the Filer changed its name to Aquila Inc.; the Filer operates and/or controls electric and natural gas distribution networks and electric generation assets;

2. the Filer's principal office is located at 20 West Ninth Street, Kansas City, Missouri 64105;

3. the Filer's management, business and assets are located primarily outside of Canada;

4. the Filer is authorized to issue 400,000,000 common shares at a par value of $1.00 per share (the Common Shares), 20,000,000 Class A common shares at a par value of $1.00 (the Class A Shares), and 10,000,000 preferred shares (the Preferred Shares);

5. as at September 10, 2004, there were 241,706,582 Common Shares issued and outstanding and no Class A Shares or Preferred Shares outstanding;

6. the Filer became a reporting issuer in the Jurisdictions following an application to the Toronto Stock Exchange (TSX) in 1987 to list the Filer's Common Shares;

7. the Filer is currently a reporting issuer in the Jurisdictions and is not in default of any of the requirements of the Legislation;

8. the Filer is not a reporting issuer or the equivalent in any other jurisdiction in Canada;

9. the Common Shares of the Filer were voluntarily delisted from the TSX in November 2002; none of the Common Shares, Class A Shares, Preferred Shares or any other outstanding securities of the Filer are traded on any other market or exchange in Canada;

10. the Filer does not have any other securities, including debt securities, outstanding in Canada;

11. the Filer has not made a public offering of its securities to Canadian residents since it was delisted from the TSX in November 2002;

12. there is no market in Canada for the Filer's securities;

13. as at September 10, 2004, the geographic breakdown of Canadian beneficial holders of Common Shares was as follows:

Jurisdiction	No. of Beneficial Holders		No. of Shares Held by Beneficial Holders
British Columbia	467		667,031
Alberta	350		571,784
Ontario	209		361,896
Other Canada	88		111,752

14. A total of 1,712,463 Common Shares representing approximately 0.708% of the total outstanding Common Shares are held by 1,114 Canadian resident beneficial shareholders, representing approximately 1.54% of the Filer's total number of beneficial shareholders;

15. the Common Shares of the Filer are listed on the New York Stock Exchange (the NYSE);

16. the Filer is not in default of any of the disclosure requirements of the NYSE;

17. the Filer is subject to the reporting requirements of the 1934 Act;

18. the Filer is not in default of any of the requirements of the 1934 Act;

19. on December 9, 2004 the Filer issued and filed a press release announcing that the Filer had submitted an application to be deemed to have ceased to be a reporting issuer in the Jurisdictions and, if the relief is granted, the Filer will not be a reporting issuer or equivalent in any jurisdiction in Canada; and

20. the Filer has undertaken to the Decision Makers to continue to deliver all disclosure materials required by U.S. securities law to be delivered to securityholders resident in the United States to its securityholders in the Jurisdictions and Canada in the manner and at the time required by U.S. Securities law and U.S. market requirements. This information is also available to securityholders through the United States Securities and Exchange Commission website at www.sec.gov.

Decision

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

The decision of the Decision Makers under the Legislation is that the Filer is deemed to have ceased to be a reporting issuer under the Legislation.

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

2.1.9 Tal Global Asset Management Inc. (Tal) and Tal Private Management Ltd. - MRRS Decision

Headnote

TAL Global Asset Management Inc. and TAL Private Management Ltd.

Mutual Reliance Review System for Exemptive Relief Applications – relief from requirement to obtain specific and informed written consent from discretionary management clients once in each twelve-month period with respect to certain funds – subject to conditions.

Applicable Ontario Legislation

Ontario Regulation 1015, R.R.O. 1990, s. 227(2)(b), 233.

December 23, 2004

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ONTARIO, ALBERTA, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR (THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
TAL GLOBAL ASSET MANAGEMENT INC. (TAL)
AND TAL PRIVATE MANAGEMENT LTD. (TAL PRIVATE)(TOGETHER, THE FILERS)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the restriction against an adviser exercising discretionary authority with respect to a client's account to purchase or sell the securities of a related issuer, or in the case of a distribution a connected issuer, of the registrant unless the adviser has once within each twelve month period provided the client with the statement of policies of the registrant and secured the specific and informed consent of the client (the **Annual Disclosure and Consent Requirement**), shall not apply to the Filers with respect to any of the mutual funds or pooled funds managed by Filers or its affiliates or associates (collectively the **Funds**)(the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

1. TAL is a corporation organized under the laws of Canada and is currently registered as an investment counsel and portfolio manager in British Columbia, Alberta, Saskatchewan, Ontario, Newfoundland and Labrador (application pending for portfolio manager designation), New Brunswick, Nova Scotia, Prince Edward Island, Northwest Territories, and Nunavut, and as a portfolio manager in Manitoba, as a securities adviser and portfolio manager in Quebec and as an investment counsel and securities adviser in Yukon. TAL is also registered as a limited market dealer in Ontario and Newfoundland and Labrador.

2. TAL Private is a corporation organized under the laws of Canada and is currently registered as an investment counsel and portfolio manager in British Columbia, Alberta, Saskatchewan, Ontario, New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island, Northwest Territories and Nunavut and as a portfolio manager in Manitoba, and as a securities adviser and portfolio manager in Quebec. TAL Private is also registered as a limited market dealer in Ontario and Newfoundland and Labrador.

3. Each Filer manages some of its clients' assets on a discretionary basis with segregated, separate portfolios of securities for each client and may trade in the securities of one or more of the Funds. Each Filer may also act as an adviser to clients who have not entered into discretionary management agreements with them in connection with such clients' investment in one or more Funds.

4. Discretionary management clients enter into a discretionary investment management account agreement with TAL or TAL Private. All clients of the Filers receive a conflicts statement which lists the related and connected issuers of the Filers. These related or connected issuers include the Funds. In the event of a significant change in the conflicts statement, the Filers will provide to each of their clients a copy of the revised version of, or

amendment to, the conflicts statement. Each discretionary management client specifically consents in writing to the applicable Filer investing in one or more of the Funds.

5. Units of each of the Funds may be offered on a continuous basis and will be acquired by residents of the Jurisdictions either under a prospectus filed by the Fund, or on a private placement basis.

Decision

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

The decision of the Decision Makers pursuant to the Legislation is that the Requested Relief is granted and the Filers are exempt from the Annual Disclosure and Consent Requirement under the Legislation provided the Filers have disclosed all relevant facts and secured the specific and informed written consent of the client in advance of the exercise of discretionary authority in respect of the client accounts.

"Paul M. Moore"

"David L. Knight"

2.1.10 Kenmar Investment Advisor Corp. - ss. 6.1(1) of MI 31-102 and s. 6.1 of Rule 13-502

Headnote

International adviser exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

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

AND

IN THE MATTER OF
KENMAR INVESTMENT ADVISOR CORP.

DECISION
(Subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* and section 6.1 of Rule 13-502 *Fees*)

UPON the Director having received the application of Kenmar Investment Advisor Corp. (the **Applicant**) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (**MI 31-102**) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (**Rule 13-502**) in respect of this discretionary relief;

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

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

1. The Applicant is incorporated under the laws of the state of Connecticut in the United States. The Applicant is not a reporting issuer. The Applicant is a member of the U.S. National Futures Association and is a Registered Investment Advisor in the state of Connecticut. The Applicant is registered under the *Commodity Futures Act* (Ontario) as a non-resident Commodity Trading Manager. The head office of the Applicant is in Greenwich, Connecticut.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (electronic funds transfer or, the **EFT Requirement**).

3. The Applicant has encountered difficulties in setting up its own Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is registered.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any Jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

December 29, 2004.

"David M. Gilkes"

2.1.11 Energy Exploration Technologies Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the prospectus and registration requirements for the first trade of securities of an issuer that is not a reporting issuer in any jurisdiction in Canada and held by Canadian residents – Relief required because greater than 10% of class of securities held by resident Canadian securityholders – Registration relief applicable only in respect of securityholders who are employees, directors, consultants or senior officers of the issuer.

Applicable Ontario Statutory Provisions

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

Applicable Instruments

Multilateral Instrument 45-102 Resale of Securities.
Multilateral Instrument 45-105 Trades to Employees, Senior Officers, Directors and Consultants.

December 21, 2004

**IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, BRITISH COLUMBIA AND ONTARIO
(THE JURISDICTIONS)**

AND

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

AND

**IN THE MATTER OF
ENERGY EXPLORATION TECHNOLOGIES INC. (THE FILER)**

MRRS DECISION DOCUMENT

Background

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

   1.1 an exemption from the prospectus requirement of the Legislation (the Prospectus Requirement) for the first trade of the Issued Shares (as defined below)(the Prospectus Relief); and

   1.2 an exemption from the dealer registration requirement of the Legislation (the Registration Requirement) for the first trade of the Issued Shares (as defined below) by a person or company described in subsection 2.1(1) of Multilateral Instrument 45-105 Trades to Employees, Senior Officers, Directors, and Consultants (MI 45-105)(the Registration Relief); and

2. Under the Mutual Reliance Review System for Exemptive Relief Applications (MRRS)

   2.1 the Alberta Securities Commission is the principal regulator for this application, and

   2.2 this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

   4.1 The Filer was incorporated under the Business Corporations Act (Alberta) on October 24, 2003.

   4.2 The Filer's head office is located in Calgary, Alberta.

   4.3 The Filer is registered with the SEC in the United States under the 1934 Act and is not exempt from the reporting requirements of the 1934 Act pursuant to Rule 12g3-2 made thereunder. The Filer is not in default of any securities legislation in the United States or any other jurisdiction.

   4.4 The Filer is not a reporting issuer in any jurisdiction in Canada.

   4.5 The authorized capital of the Filer consists of an unlimited number of common shares (Shares) and an unlimited number of preferred shares, of which 20,448,409 Shares were issued and outstanding as of September 23, 2004.

   4.6 The Shares are publicly traded over-the-counter within the United States on the NASD OTC Bulletin Board and are listed on the Frankfurt Stock Exchange and

Berlin Stock Exchange, but are not listed on any Canadian stock exchange.

4.7 As of September 23, 2004, the percentage of total issued and outstanding Shares held by residents of the Jurisdictions is as follows: Alberta – 30.5%, Ontario - 1.4% and British Columbia - 0.4%.

4.8 One Alberta resident shareholder, Mr. George Liszicasz (Mr. Liszicasz), is the founder of the Filer and holds 5,062,490 Shares, representing 24.8% of the total issued and outstanding Shares as of September 23, 2004.

4.9 From October 16, 2003 to September 15, 2004 the Filer issued

4.9.1 124,000 Shares (the Fee Shares) pursuant to exemptions from the Registration Requirement and the Prospectus Requirement (together the Registration and Prospectus Requirements), to certain individuals who are employees, consultants and officers of the Filer as finders' fees in connection with the private placement of 1,875,000 common shares on October 14, 2003,

4.9.2 230,000 Shares (the Debt Shares) pursuant to exemptions from the Registration and Prospectus Requirements, to consultants in payment of invoices,

4.9.3 670,269 units (Units), each comprised of one Share (Unit Share) and one common share purchase warrant (Warrant), to certain subscribers pursuant to exemptions from the Registration and Prospectus Requirements. Each Warrant entitles the holder to purchase a Share (a Warrant Share) until March 18, 2005 or September 7, 2005, as the case may be,

4.9.4 36,000 flow-through Shares (Flow-Through Shares) to certain subscribers pursuant to exemptions from the Registration and Prospectus Requirements, and

4.9.5 47,198 common share purchase warrants (Compensation Warrants) pursuant to exemptions from the Registration and Prospectus Requirements, to certain employees, consultants, officers and other third parties. Each Compensation Warrant entitles the holder to purchase a Share (a Compensation Warrant Share) until March 18, 2005 or September 7, 2005, as the case may be.

4.10 Any resale of the Fee Shares, the Debt Shares, the Unit Shares, the Flow-Through Shares, the Warrant Shares and the Compensation Warrant Shares (collectively, the Issued Shares) is expected to be executed over-the-counter within the United States on the NASD OTC Bulletin Board, as there is no market for the Shares in Canada and none is expected to develop.

4.11 The exemption from the Prospectus Requirement under section 2.14 of Multilateral Instrument 45-102 Resale of Securities is unavailable to the holders of the Fee Shares, the Debt Shares, the Units, the Flow-Through Shares or the Compensation Warrants for first trades of the Issued Shares through the NASD OTC Bulletin Board because as at the respective distribution dates of the Fee Shares, the Debt Shares, the Units, the Flow-Through Shares and the Compensation Warrants (the Distribution Dates), residents of Canada owned directly or indirectly more than 10% of the outstanding Shares.

4.12 Excluding the Shares owned by Mr. Liszicasz, on the Distribution Dates residents of Canada

4.12.1 did not own directly or indirectly more than 10% of the outstanding Shares, and

4.12.2 did not represent in number more than 10% of the total number of owners directly or indirectly of Shares.

4.13 In the absence of this decision:

4.13.1 the first trade in the Issued Shares will be deemed to be a distribution in the absence of a further exemption from the Prospectus Requirement,

unless, among other things, the Filer has been a reporting issuer for four months immediately preceding the trade in a province or territory, and

4.13.2 the Registration Requirement will apply to a first trade of the Issued Shares by a person or company described in subsection 2.1(1) of MI 45-105.

4.14 The relief granted in this decision does not apply to Mr. Liszisasz because he does not hold any of the Fee Shares, the Debt Shares, the Units, the Flow-Through Shares, or the Compensation Warrants.

4.15 The Filer undertakes to use its reasonable best efforts to become a reporting issuer in a jurisdiction of Canada.

Decision

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

6. The decision of the Decision Makers under the Legislation is that the Prospectus Relief and the Registration Relief are granted provided that the First Trade of the Issued Shares is made

6.1 through an exchange, or a market, outside of Canada, or

6.2 to a person or company outside of Canada.

"Glenda A. Campbell, Q.C."
Vice-Chair
Alberta Securities Commission

"Stephen R. Murison"
Vice-Chair
Alberta Securities Commission

2.1.12 Pacific Crest Securities Inc. - ss. 6.1(1) of MI 31-102 and s. 6.1 of Rule 13-502

Headnote

International adviser exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

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

AND

IN THE MATTER OF
PACIFIC CREST SECURITIES INC.

DECISION
(Subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* and section 6.1 of Rule 13-502 *Fees*)

UPON the Director having received the application of Pacific Crest Securities Inc. (the **Applicant**) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (**MI 31-102**) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (**Rule 13-502**) in respect of this discretionary relief;

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

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

1. The Applicant is incorporated under the laws of the State of Oregon in the United States. The Applicant is not a reporting issuer. The Applicant is registered as a broker-dealer with the U.S. Securities and Exchange Commission and is a member of the U.S. National Association of Securities Dealers. The Applicant has applied for registration under the Act as an international dealer. The head office of the Applicant is in Portland, Oregon.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (**electronic funds transfer** or the **EFT Requirement**).

3. The Applicant has encountered difficulties in setting up its own Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only Canadian jurisdiction in which it has applied for registration.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the **Application Fee**).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any Jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

January 6, 2005.

"David M. Gilkes"

2.1.13 Excel Funds Management Inc. and Excel Canadian Balanced Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Novel Relief granted to permit the Top Funds to invest in securities of a unique three-tier fund structure which invests more than 10% in other mutual funds. The Top Funds are exempted from the mutual fund conflict of interest investment restrictions and management reporting requirements under the Legislation for the purpose of investing in the three-tier fund structure.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990, c. S.5, as amended, clause 111(2)(b), subsection 111(3), clauses 117(1)(a) and 117(1)(d) and clause 118(2)(a).

Rules Cited

National Instrument 81-102, section 19.3(1) and subsection 2.5(2).

December 23, 2004

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

AND

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

AND

IN THE MATTER OF
EXCEL FUNDS MANAGEMENT INC. (THE "MANAGER")

AND

IN THE MATTER OF
EXCEL CANADIAN BALANCED FUND (THE "RSP FUND")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each the Jurisdictions has received an application from the Manager, as manager of the RSP Fund, for a decision (all relief sought herein collectively referred to as "Requested Relief") under the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation shall not apply, as the case may be, to the Manager, the RSP Fund or to any other mutual funds subject to National Instrument 81-102 ("NI 81-102") which may in the future invest in Excel India Fund (the "Other Top Funds") (the "RSP Fund" and "Other Top Funds" collectively referred to hereinafter as the "Top Funds") in respect of a Top Fund's investment in securities of Excel India Fund (the "India Fund"):

- the restrictions contained in the Legislation that prohibit a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder;

- the requirements contained in the Legislation that a management company (or, in British Columbia, a mutual fund manager), file a report of every transaction of purchase or sale of securities between a mutual fund it manages and any related person or company and any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, a mutual fund is a joint participant with one or more of its related persons or companies; and

- the requirements contained in the Legislation prohibiting a portfolio manager (or, in British Columbia, the mutual fund or responsible person), from knowingly causing an investment portfolio managed by it to invest in securities of an issuer in which a responsible person is an officer or director unless the specific fact is disclosed to the client, and, if applicable the written consent of the client to the investment is obtained before the purchase.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

Manager

1. The Manager is a corporation established under the laws of the Province of Ontario, which its head office is Mississauga, Ontario, and acts as the manager and trustee of the RSP Fund and the India Fund.

RSP Fund

2. The RSP Fund is an open-end mutual fund trust established under the laws of Ontario in 1999 and is qualified for distribution under a simplified prospectus and annual information form dated January 30, 2004.

3. The RSP Fund is a reporting issuer in each of the Jurisdictions and is not in default under the Legislation of the Jurisdictions.

4. Currently, the investment objective of the RSP Fund is to seek long-term capital appreciation and income by investing mainly in fixed income securities and preferred and common shares of Canadian issuers. The RSP Fund may also invest in foreign property securities up to the foreign property limits specified under the *Income Tax Act* (Canada) ("Tax Act").

Other Top Funds

5. An Other Top Fund may, from time to time, invest in or seek exposure to the India Fund in order to meet its investment objectives.

The India Fund

6. The India Fund is an open-end mutual fund trust established under the laws of Ontario and is qualified for distribution under a simplified prospectus and annual information form dated January 30, 2004.

7. The India Fund is a reporting issuer in each of the Jurisdictions and is not in default under the Legislation of the Jurisdictions.

8. The investment objective of the India Fund is to seek long-term superior growth of capital by investing in equity securities of companies located in India through a "fund-on-fund" arrangement with India Excel (Mauritius) Fund (the "Mauritius Sub-fund"). The Mauritius Sub-fund is an open-end investment trust organized under the laws of Mauritius. The Mauritius Sub-fund, in turn, invests most of its assets in the India Excel (Offshore) Fund (the "India Sub-fund"), an open-end investment trust organized under the laws of India. The India Fund's three-tiered fund-on-fund structure (the "Structure") was approved by the Decision Makers of each Jurisdiction in 1998. As a result of the operation of subsection 19.3(1) of NI 81-102, this approval will be revoked on December 31, 2004. A new approval has been applied for by letter dated November 25, 2004 (the "2004 Approval") with the following conditions:

   (a) the investment objectives and investment strategies of the Mauritius Sub-fund and India Sub-fund be the same as the India Fund;

   (b) except as necessary to implement the Structure, the Mauritius Sub-fund and the India Sub-Fund adopt and comply with the investment restrictions and practices of NI 81-102;

   (c) any changes in the provisions of the material contracts of the Mauritius Sub-fund and the India Sub-fund which would delete or amend the requirements of conditions (a) and (b) above, will require the approval of the Manager and the Decision Makers of the Jurisdictions;

   (d) the India Fund will redeem its investment in the Mauritius Sub-fund and the Mauritius Sub-fund will redeem its position in the India Sub-fund in the event the contractual provisions in (c) are breached;

   (e) the simplified prospectus of the India Fund will disclose conditions (a) to (d) above and the top ten holdings of the India Sub-fund;

   (f) the calculation of the net asset value ("NAV") of the units of the India Fund, India Sub-fund and Mauritius Sub-fund will be identical and have compatible dates for the calculation of NAV for purposes of the issue and redemption of units of these funds;

   (g) the annual and semi-annual financial statements of the India Fund shall be consolidated with the financial statements of Mauritius Sub-fund and India Sub-fund, including their respective portfolio holdings, and be available upon request by a unitholder of the India Fund;

   (h) the books and records of the Mauritius Sub-fund and the India Sub-fund will be examined by the Manager and audited by local affiliates of the auditors of the India Fund at least once per year;

   (i) no sales charges will be payable by the India Fund and the Mauritius Sub-fund in relation to a purchase of units of the Mauritius Sub-fund and the India Sub-fund, respectively;

   (j) no redemption fees or other charges will be charged by the Mauritius Sub-fund or the India Sub-fund in respect of a redemption by the India Fund or the Mauritius Sub-fund, respectively, of units of such funds;

   (k) no trailer or other fees or charges will be paid by the Manager, the India Fund,

India Sub-fund and the Mauritius Sub-fund or by any affiliate or associate of any of the foregoing entities to anyone in respect of the investment by the India Fund in the Mauritius Sub-fund or the investment by the Mauritius Sub-fund in the India Sub-fund; and

(l) there are arrangements between or in respect of the India Fund, the India Sub-fund and the Mauritius Sub-fund to avoid the duplication of management fees.

Proposed New Investment Objective and Investment Strategy: RSP Fund

9. The Manager has received unitholder approval to change the fundamental investment objective of the RSP Fund to the following:

> "The investment objective of the RSP Fund is to seek long-term capital appreciation by investing (either directly or through derivative instruments) primarily in mutual fund securities in order to gain exposure to the equity and debt markets of India and China, Hong Kong, Taiwan and other Far East countries. The RSP Fund may also invest in non-mutual fund securities which provide exposure to the above markets or seek exposure to other international emerging markets. The RSP Fund may invest its assets in foreign property securities up to the limit allowed under the Tax Act but will otherwise maintain complete eligibility for registered plans."

10. The RSP Fund will implement this investment objective primarily by: (i) investing its assets directly in units of the India Fund and the Excel China Fund up to the maximum foreign property limits specified under the Tax Act; and/or (ii) entering into one or more forward contracts or other specified derivative instruments with one or more financial institutions in order to gain exposure to the India Fund and the Excel China Fund.

11. Under this proposed new investment objective and investment strategy, units of the RSP Fund would continue to be eligible for investment for registered tax plans and would not constitute foreign property under the Tax Act.

Generally

12. In the absence of this Decision, a Top Fund would be prohibited from knowingly making or holding an investment in the India Fund if the Top Fund, alone or together with one or more related mutual funds, is a substantial securityholder of the India Fund.

13. In the absence of this Decision, the Manager would be required to file a report of every transaction of purchase or sale by a Top Fund managed by the Manager of securities of the India Fund.

14. By virtue of the Manager being the manager of the RSP Fund and the India Fund and, therefore, an "associate" of each such mutual fund, in the absence of this Decision, the Manager would be prohibited from causing the RSP Fund to invest in the India Fund unless this specific fact is disclosed to investors and, if applicable, the written consent of investors is obtained before the purchase.

15. A Top Fund's investment in securities of the India Fund will represent the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Top Fund.

Decision

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

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

1. The decision shall only apply if, at the time the Top Fund makes or holds an investment in the India Fund, the following conditions are satisfied:

   (a) the investment by the Top Fund in the India Fund is compatible with the fundamental investment objective of the Top Fund and in compliance with each provision of subsection 2.5(2) of NI 81-102 except for section 2.5(2)(b);

   (b) except as permitted in the 2004 Approval, the India Fund:

      (i) is subject to NI 81-102;

      (ii) does not hold more than 10% of the market value of its net assets in securities of other mutual funds; and

      (iii) complies in all respects with the conditions of the 2004 Approval.

   (c) the securities of the Top Fund and the India Fund are qualified for distribution in the local jurisdiction;

(d) no management fees or incentive fees are payable by the Top Fund that, to a reasonable person, would duplicate a fee payable by the India Fund for the same service;

(e) in the case of a Top Fund managed by the Manager, no sales fees or redemption fees are payable by the Top Fund in relation to its purchases or redemptions of securities of the India Fund; and

(f) in the case of a Top Fund not managed by the Manager, no sales fees or redemption fees are payable by the Top Fund in relation to its purchases or redemptions of securities of the India Funds that, to a reasonable person, would duplicate a fee payable by an investor in the Top Fund.

"Paul Moore"
Vice Chair
Ontario Securities Commission

"David Knight"
Commissioner
Ontario Securities Commission

2.1.14 Atlantic Power Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the requirement to file certain financial statements with a business acquisition report provided that the business acquisition report will include the financial statements pertaining to the acquired business that were included in a final prospectus.

Rules Cited

National Instrument 51-102, Continuous Disclosure Obligations, Part 8.
Ontario Securities Commission Rule 41-501, General Prospectus Requirements.

January 7, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA, AND NEWFOUNDLAND AND LABRADOR
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
ATLANTIC POWER CORPORATION (THE FILER)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**, and collectively the **Decision Makers**) in each of the Jurisdictions has received an application (the **Application**) from the Filer for: (i) a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirements prescribed by section 8.4 of National Instrument 51-102 (**NI 51-102**) which require that interim financial statements for the Projects (as defined below) for the nine month period ended September 30, 2004 and as at September 30, 2004 and pro forma financial statements for the Filer for the nine month period ended September 30, 2004 and as at September 30, 2004 be included in a business acquisition report (a **BAR**) to be filed by the Filer in connection with the Filer's acquisition of indirect interests in 15 power generation projects primarily located in the United States (each, a **Project**) on November 18, 2004; and (ii) in Quebec, a revision of the general order that will provide the same result as an exemption order (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications,

(a) the Ontario Securities Commission (the **OSC**) is the principal regulator for the Application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Unless otherwise defined, the terms herein have the same meaning set out in National Instrument 14-101 *Definitions*.

Representations

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

1. The Filer was incorporated on June 18, 2004 and is validly existing under the laws of the Province of Ontario.

2. The Filer is a reporting issuer in all of the Jurisdictions and the income participating securities (**IPSs**) of the Filer, each representing one common share and $5.767 aggregate principal amount of 11% subordinated notes of the Filer, are listed and posted for trading on the Toronto Stock Exchange.

3. Although the Filer is also a reporting issuer, or the equivalent, in the Province of Prince Edward Island, the Yukon, the Northwest Territories and Nunavut, an application is not being made to the securities regulatory authorities in these jurisdictions as we understand that NI 51-102 has not been adopted in such jurisdictions.

4. Although the Filer is also a reporting issuer in the Province of British Columbia, an application is not being made in this province as BC Implementing Rule 51-801 exempts issuers from Part 8 of NI 51-102 in British Columbia.

5. The Filer is not in default of any material requirement of the Legislation and is not on the list of defaulting reporting issuers maintained pursuant to subsection 72(9) of the *Securities Act* (Ontario) or equivalent provisions of the Legislation.

6. On October 6, 2004, the Filer filed a preliminary prospectus (the **Preliminary Prospectus**) in connection with an initial public offering (**IPO**) of IPSs which disclosed, among other things, that the Filer has been established to indirectly hold interests in the Projects. A preliminary mutual reliance review system (**MRRS**) decision document, evidencing the issue of a preliminary receipt by the securities regulatory authority in each of the Jurisdictions, was issued by the OSC on October 8, 2004.

7. On October 21, 2004, the Filer filed an amended and restated preliminary prospectus (the **Amended and Restated Preliminary Prospectus**) for the IPO which contained substantially the same disclosure as the Preliminary Prospectus. An MRRS decision document, evidencing the issue of an amended preliminary receipt by the securities regulatory authority in each of the Jurisdictions, was issued by the OSC on October 22, 2004.

8. On November 10, 2004, the Filer filed a final prospectus (together with the Preliminary Prospectus and the Amended and Restated Preliminary Prospectus, the **Prospectus**) for the IPO which contained substantially the same disclosure as the Amended and Restated Preliminary Prospectus. A final MRRS decision document, evidencing the issue of a final receipt by the securities regulatory authority in each of the Jurisdictions, was issued by the OSC on November 10, 2004.

9. On November 18, 2004, the Filer completed the IPO and used the proceeds to indirectly acquire interests in the Projects described in the Prospectus (the **Acquisition**).

10. The prospectus requirements under the Legislation sets out the financial statements required to be included in a prospectus, including financial statements relating to "significant acquisitions."

11. Compliance with the prospectus financial statement requirements under the Legislation does not necessarily satisfy the financial statement requirements in section 8.4 of NI 51-102.

12. The Prospectus was filed eight days prior to the closing of the Acquisition. The Prospectus contains full, true and plain disclosure of all material facts relating to the Filer and the Acquisition and the financial statement disclosure for significant probable acquisitions pursuant to section 6.4 of OSC Rule 41-501 in respect of the Acquisition. Accordingly, the Prospectus contains: (i) the unaudited consolidated financial statements of Teton Power Funding, LLC (**Teton Funding**), the owner of interests in 12 of the Projects, as at June 30, 2004 and for the period from March 13, 2004 to June 30, 2004; (ii) the audited combined financial statements of UtilCo SaleCo LLC, the predecessor of Teton Funding, as at December 31, 2003 and 2002 and for the years then ended and unaudited combined statements of income, comprehensive income and cash flows for the periods from January 1, 2004 to March 12, 2004 and January 1, 2003 to June 30, 2003; (iii) the unaudited pro forma financial statements of the Filer giving effect to the Acquisition as at June 30, 2004 and for the six months then ended and

for the year ended December 31, 2003; and (iv) the audited balance sheet of the Filer as at June 30, 2004. (collectively, the **Prospectus Financial Statements**).

13. The Acquisition constitutes a "significant acquisition" of the Filer for the purposes of NI 51-102, requiring the Filer to file a BAR within 75 days of completing the Acquisition.

14. Unless otherwise exempt, the Filer is required, pursuant to section 8.4 of NI 51-102, to include in the BAR prepared in respect of the Acquisition: (i) statements of income, retained earnings and cash flows for the Projects for the years ended December 31, 2003 and 2002, and the nine months ended September 30, 2004 and 2003; (ii) balance sheets for the Projects as at December 31, 2003 and 2002 and September 30, 2004; (iii) pro forma statements of income for the Filer for the year ended December 31, 2003 and for the nine months ended September 30, 2004; and (iv) the pro forma balance sheet for the Filer as at September 30, 2004.

15. From June 30, 2004, the date of the most recent financial statements included in the Prospectus, to September 30, 2004, no material change in the financial condition or results of operations of the Projects (considered as a whole) occurred.

Decision

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

The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the BAR filed by the Filer includes the Prospectus Financial Statements.

"Charlie MacCready"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.15 Adolph Coors Company et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Various forms of relief granted in connection with a plan of arrangement involving exchangeable share structure. Relief from issuer bid requirements granted in connection with transfers of securities pursuant to the plan of arrangement where shares held through a Canadian holding company. Exchangeable share issuer unable to rely on statutory exemption from continuous disclosure requirements and insiders unable to rely on statutory exemption to file insider reports and insider profiles. Relief granted to exchangeable share issuer from the continuous disclosure requirements and relief granted to its insiders from insider reporting requirements and requirement to file insider profiles, subject to conditions. Exchangeco also granted relief from the requirement to include prospectus level disclosure in a proxy circular as well as short form prospectus eligibility relief, subject to conditions.

Applicable Ontario Statutory Provisions.

Securities Act, R.S.O. 1990, c. S.5, as am., 95, 107, 108, 104(2)(c), 121(2)(a)(ii),
NI 44-101, NI 51-102, NI 55-102.

November 29, 2004

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

AND

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

AND

IN THE MATTER OF
ADOLPH COORS COMPANY (COORS),
MOLSON COORS CANADA INC. (EXCHANGECO),
MOLSON COORS CALLCO ULC (CALLCO) AND
MOLSON INC. (MOLSON)
(COLLECTIVELY, THE FILER)

MRRS DECISION DOCUMENT

Background

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

Circular Relief

1. In British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon and Nunavut, the requirement of the Legislation to include in the Circular the information relating to Exchangeco that is required to be included in a prospectus, including financial statements of Exchangeco, shall not apply (the "**Circular Relief**");

Issuer Bid Relief

2. In British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador, the requirements of the Legislation with respect to issuer bids shall not apply in respect of the Safe Income Tuck-In Transactions (the "**Issuer Bid Relief**");

Issuer Bid Report and Fee Relief

3. In Québec, Molson shall not be required to file a report or pay any fees in connection with the bids under the exemption requested in the above paragraph 2 (the "**Issuer Bid Report and Fee Relief**");

Registration and Prospectus Relief

4. In Manitoba, Québec, Yukon, the Northwest Territories and Nunavut, the dealer registration requirement and prospectus requirement as set out in the Legislation shall not apply in respect of the Trades made under or in connection with the Arrangement; (the "**Registration and Prospectus Relief**");

Resale of Securities

5. The first trade (alienation) of Exchangeable Shares, Exchangeco Class A, B1 and B2 Preferred Shares, Exchangeco Class C Preferred Shares or shares of Molson Coors Common Stock received in connection with the Arrangement, upon the retraction or redemption of Exchangeable Shares, upon the exercise of Replacement Options or otherwise received in connection with the Arrangement (in each case, a "**Resale of Securities**"), will not be a distribution or primary distribution to the public under the Legislation of Manitoba, Québec, Yukon, the Northwest Territories and Nunavut;

Continuous Disclosure Relief

6. In British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon and Nunavut, the continuous disclosure obligations of the Legislation shall not apply to Exchangeco (the "**Continuous Disclosure Relief**");

Insider Reporting and Filing of Insider Profile Relief

7. In British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon and Nunavut, the requirements of the Legislation with respect to insider reporting and filing of an insider profile shall not apply to any insider of Exchangeco (the "**Insider Reporting and Filing of Insider Profile Relief**"); and

Short Form Prospectus Eligibility Relief

8. In all Jurisdictions, the requirements of the Legislation to have a current Annual Information Form and to have an aggregate market value of the equity securities, listed and posted for trading on an exchange in Canada is $75,000,000 or more on a date within 60 days before the date of the filing of the preliminary short form prospectus, shall not apply to Exchangeco (the

"**Short Form Prospectus Eligibility Relief**").

Under the Mutual Reliance Review System for Exemptive Relief applications:

(a) the Autorité des marchés financiers is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

"**Arrangement**" means the plan of arrangement, under the CBCA, pursuant to which the Transaction will be effected;

"**Arrangement Implementation Date**" means the effective date of the Arrangement;

"**Automatic Exchange Right**" means the automatic exchange right under the Voting and Exchange Trust Agreement;

"**CBCA**" means the *Canada Business Corporations Act*;

"**Circular**" means the Joint Proxy Statement / Management Proxy Circular prepared in connection with the Molson Shareholders' Meeting, Molson Optionholders' Meeting and the shareholders' meeting of Coors to be held in respect of the Transaction;

"**Class A Exchangeable Shares**" means the Class A exchangeable shares to be issued by Exchangeco;

"**Class B Exchangeable Shares**" means the Class B exchangeable shares to be issued by Exchangeco;

"**Combination Agreement**" means the combination agreement dated as of July 21, 2004 among Coors, Exchangeco and Molson, as amended;

"**Coors Class A Common Stock**" means Coors' Class A common stock (voting);

"**Coors Class B Common Stock**" means Coors' Class B common stock (non-voting);

"**Coors Common Stock**" means, collectively, Coors Class A Common Stock and Coors Class B Common Stock;

"**Corresponding Molson Coors Common Stock**" means, in the case of Class A Exchangeable Shares, shares of Molson Coors Class A Common Stock, and in the case of Class B Exchangeable Shares, shares of Molson Coors Class B Common Stock;

"**Dissent Rights**" means rights of dissent with respect to Molson Shares pursuant to and in the manner set forth in Section 190 of the CBCA and the Arrangement;

"**Exchangeable Share Provisions**" means the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares;

"**Exchangeable Shares**" means, collectively, the Class A Exchangeable Shares and the Class B Exchangeable Shares;

"**Exchangeable Share Support Agreement**" means the exchangeable share support agreement to be executed by Molson Coors, Exchangeco and Callco in connection with the Transaction;

"**Exchangeco Class A Shares**" means the Class A non-voting shares of Exchangeco;

"**Exchangeco Class B Shares**" means the Class B subordinate voting common shares of Exchangeco;

"**Exchangeco Class C Shares**" means the Class C restricted voting shares of Exchangeco;

"**Exchangeco Class A Preferred Shares**" means the Class A preferred shares (non-voting) of Exchangeco;

"**Exchangeco Class B1 Preferred Shares**" means the Class B1 preferred shares (non-voting) of Exchangeco;

"**Exchangeco Class B2 Preferred Shares**" means the Class B2 preferred shares (voting) of Exchangeco;

"**Exchangeco Class A, B1 and B2 Preferred Shares**" means, collectively, the Exchangeco Class A Preferred Shares, the Exchangeco Class B1 Preferred Shares and the Exchangeco Class B2 Preferred Shares;

"**Exchangeco Class C Preferred Shares**" means the Class C preferred shares (non-voting) of Exchangeco with an aggregate liquidation value of U.S.$1,000,000;

"**Exchangeco Class D Preferred Shares**" means the Class D preferred shares (non-voting) of Exchangeco, issuable in series upon terms and conditions to be fixed by the board of directors;

"Exchangeco Restricted Shares" means, collectively, the Exchangeco Class A Shares, the Exchangeco Class B Shares and the Exchangeco Class C Shares;

"**Exchangeco Preferred Shares**" means, collectively, the Class A, B1 and B2 Preferred Shares, the Exchangeco Class C Preferred Shares and the Exchangeco Class D Preferred Shares;

"**Exchange Ratio**" means 0.360;

"**Exchange Right**" means the exchange right to be granted to the Trustee by Molson Coors;

"**Holdco**" means a holding company holding Molson Shares;

"**Holdco Shareholder**" means a Molson shareholder who owns Molson Shares directly or indirectly through one or more Canadian holding companies;

"**Interim Order**" means an interim order of the Superior Court of Québec;

"**Liquidation Amount**" means an amount equal to the current market price of a share of Corresponding Molson Coors Common Stock on the last business day prior to the Liquidation Date;

"**Liquidation Call Right**" means the overriding liquidation call right of Callco;

"**Liquidation Date**" means the effective date of a liquidation, dissolution or winding-up of Exchangeco, or any distribution of the assets of Exchangeco among its shareholders for the purpose of winding up its affairs;

"**MI 45-102**" means Multilateral Instrument 45-102 – *Resale of Securities*;

"**Molson Class A Shares**" means the Molson Class A non-voting shares;

"**Molson Class B Shares**" means the Molson Class B common shares;

"**Molson Coors**" means Molson Coors Brewing Company;

"**Molson Coors Class A Common Stock**" means Molson Coors' Class A common stock (voting);

"**Molson Coors Class B Common Stock**" means Molson Coors' Class B common stock (non-voting);

"**Molson Coors Common Stock**" means, collectively, Molson Coors Class A Common Stock and Molson Coors Class B Common Stock;

"**Molson Shareholders' Meeting**" means the special meeting of the holders of Molson Shares to vote on the Arrangement;

"**Molson Optionholders' Meeting**" means the meeting of the holders of Molson Options to vote on the exchange of Molson Options for Replacement Options;

"**Molson Options**" means the options to purchase Molson Class A Shares;

"**Molson Shares**" means, collectively, the Molson Class A Shares and the Molson Class B Shares;

"**NI 5I-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**NYSE**" means the New York Stock Exchange;

"**Pentland**" means Pentland Securities (1981), Inc., a corporation indirectly controlled by Eric Molson;

"**Redemption Call Right**" means the overriding redemption call right of Callco;

"**Redemption Date**" has the meaning ascribed thereto in paragraph 43 of the Representations;

"**Redemption Price**" means an amount equal to the current market price of a share of Corresponding Molson Coors Common Stock on the last business day prior to the Redemption Date;

"**Replacement Option**" means an option of Molson Coors exchanged in replacement of a Molson Option;

"**Retraction Call Right**" means the overriding retraction call right of Callco;

"**Retraction Price**" means an amount equal to the current market price of a share of Corresponding Molson Coors Common Stock on the last business day prior to the retraction date;

"**Safe Income Tuck-In Transaction**" means the transaction described in paragraph 28 of the Representations;

"**Special Class A Voting Share**" means a share of special Class A voting stock of Molson Coors;

"**Special Class B Voting Share**" means a share of special Class B voting stock of Molson Coors;

"**Special Voting Shares**" means, collectively, the Special Class A Voting Share and the Special Class B Voting Share;

"**Trades**" means the trades and possible trades in securities to which the Transaction may give rise, as listed in paragraph 55 of the Representations;

"**Transaction**" means the proposed combination of Coors and Molson pursuant to the Combination Agreement;

"**Trustee**" means the trustee to be appointed as trustee under the Voting and Exchange Trust Agreement;

"**TSX**" means the Toronto Stock Exchange;

"**Voting and Exchange Trust Agreement**" means the voting and exchange trust agreement to be executed by Molson Coors, Exchangeco and the Trustee in connection with the Transaction.

Representations

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

1. Coors, Exchangeco and Molson have entered into the Combination Agreement providing for the proposed combination of Molson and Coors. The Transaction would, subject to applicable shareholder, regulatory and court approval, effect a merger of equals pursuant to a plan of arrangement under the CBCA. As a result of the Transaction, the businesses of Molson and Coors will be combined to form the world's fifth largest brewing company by volume. This company will be called Molson Coors Brewing Company.

2. Coors is governed by the laws of Delaware. Coors' principal corporate offices are located in Golden, Colorado.

3. Coors is currently subject to the periodic reporting requirements of the 1934 Act, as amended and is not a "reporting issuer" under the Legislation of any Jurisdiction.

4. The authorized capital stock of Coors consists of:

   (a) 1,260,000 shares of Coors' Class A Common Stock, of which 1,260,000 were outstanding as of the close of business on September 30, 2004;

   (b) 200,000,000 shares of Coors' Class B Common Stock, of which 36,126,066 were outstanding as of the close of business on September 30, 2004; and

   (c) 25,000,000 preferred shares, of which none are issued and outstanding.

5. The Coors Class B Common Stock is listed on the NYSE and is not listed on any stock exchange in Canada. Coors will apply to the NYSE and the TSX to list the shares of Molson Coors Class A Common Stock and Molson Coors Class B Common Stock issued from time to time pursuant to the Arrangement.

6. Coors will change its name from "Adolph Coors Company" to "Molson Coors Brewing Company" and amend its certificate of incorporation and bylaws to implement the Transaction.

7. Upon the Arrangement being effective, Molson Coors will be a reporting issuer or equivalent in British Columbia, Alberta, Saskatchewan, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador under the Legislation.

8. On the Arrangement Implementation Date, Molson Coors will be a U.S. issuer that has a class of securities registered under Section 12 of the 1934 Act, namely the existing Class B Common Stock of Coors which is currently designated as such.

9. Molson Coors will create and issue one Special Class A Voting Share and one Special Class B Voting Share which will be issued and delivered to the Trustee. CIBC Mellon Trust Company will be the Trustee appointed under the Voting and Exchange Trust Agreement and will be the holder of record of the Special Voting Shares for the benefit of the holders of the corresponding Exchangeable Shares.

10. Exchangeco is an existing subsidiary of Coors through which Coors has conducted its Canadian operations. Exchangeco was incorporated under the CBCA on April 4, 1997, and is the company which will undertake various

issuances and exchanges of securities in connection with the Arrangement. Exchangeco's registered office address as of the completion of the Transaction will be located in Toronto, Ontario.

11. At the Arrangement Implementation Date, Exchangeco will issue Class A Exchangeable Shares and Class B Exchangeable Shares to eligible shareholders of Molson who elect to receive, or are deemed to elect to receive, exchangeable shares of Exchangeco. The Exchangeable Shares will be substantially the economic equivalent of the shares of Corresponding Molson Coors Common Stock that a Molson shareholder would receive if the holder elects, or is deemed to elect, to receive shares of Molson Coors Common Stock in connection with the Arrangement. Holders of Exchangeable Shares will also receive Molson Coors voting rights, under the Voting and Exchange Trust Agreement, each of which entitles the holder to one vote on the same basis and in the same circumstances as one share of Corresponding Molson Coors Common Stock.

12. In addition to the Exchangeable Shares, the authorized share capital of Exchangeco will consist of:

    (a) Exchangeco Class A Shares, which will be issued upon conversion of Exchangeco Class A Preferred Shares or Exchangeco Class B1 Preferred Shares;

    (b) Exchangeco Class B Shares, which will be issued upon a conversion of Exchangeco Class B2 Preferred Shares;

    (c) Exchangeco Class C Shares, which will be held by Molson Coors through two holding companies whose sole purpose is to hold such shares (the articles of incorporation of Exchangeco will be amended prior to the effective time of the Arrangement to change the name of the current ordinary common shares of Exchangeco to Class C restricted voting shares);

    (d) Exchangeco Class A Preferred Shares, which will be issued to holders of Molson Class B Shares who elect to receive, or are deemed to elect to receive, Exchangeco Class A Preferred Shares at the effective time of the Arrangement;

    (e) Exchangeco Class B1 Preferred Shares, which will be issued to holders of Molson Class A Shares or Molson Class B Shares who elect to receive, or are deemed to elect to receive, Exchangeco Class B1 Preferred Shares at the effective time of the Arrangement;

    (f) Exchangeco Class B2 Preferred Shares, which will be issued to holders of Molson Class A Shares or Molson Class B Shares who elect to receive, or are deemed to elect to receive, Exchangeco Class B2 Preferred Shares at the effective time of the Arrangement;

    (g) Exchangeco Class C Preferred Shares, which will be issued at the effective time of the Arrangement to a third party that has provided investment banking services to Coors in connection with the Transaction; and

    (h) Exchangeco Class D Preferred Shares, none of which will be issued in connection with the Arrangement.

13. As part of the Arrangement, the Exchangeco Class A Preferred Shares will be transferred to Callco in exchange for shares of Molson Coors Class A Common Stock and each of the Exchangeco Class B1 Preferred Shares and Exchangeco Class B2 Preferred Shares will be transferred to Callco in exchange for shares of Molson Coors Class B Common Stock. As a result of these exchanges, all outstanding Exchangeco Class A, B1 and B2 Preferred Shares will be held by Callco.

14. The Exchangeco Class C Preferred Shares (i) will be issued in connection with the Arrangement, (ii) have an aggregate liquidation value of U.S.$ 1,000,000 and will be mandatorily redeemable at that value, subject to certain conditions, on the date which is five years following their issuance and (iii) will be non-voting and will not carry any of the ancillary rights which will be attached to the Exchangeable Shares.

15. Exchangeco will apply to the TSX to list (i) the Exchangeable Shares, and (ii) the Exchangeco Class A, B1 and B2 Preferred Shares. The Exchangeco Class A, B1 and B2 Preferred Shares will be issued to shareholders of Molson who have elected, or are deemed to have elected, to receive shares of Molson Coors Class A Common Stock and/or Molson Coors Class B Common Stock as part of the Transaction (in exchange for the Molson Class A Shares and/or Class B Shares held by such shareholders), and then promptly exchanged for shares of Molson Coors Class A Common Stock and/or Class B Common Stock as part of the Arrangement. Accordingly, the Exchangeco Class A, B1 and B2 Preferred Shares will only be listed on the TSX for a temporary period.

16. Upon the Arrangement being effective, Exchangeco will be a reporting issuer or equivalent in British Columbia, Alberta, Saskatchewan, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador under the Legislation.

Exchangeco will become or intends to become a reporting issuer in Manitoba in order to be a reporting issuer or equivalent in all Canadian jurisdictions where such status exists.

17. Callco is a company incorporated under the *Companies Act* (Nova Scotia) on September 9, 2004 for the purpose of implementing the Transaction. To date, Callco has not carried on and, following the effective date of the Transaction, will not carry on, any business except in connection with its role as a party to the Transaction. Callco is a wholly-owned subsidiary of Coors and its registered office is in Halifax, Nova Scotia.

18. Upon the Arrangement being effective, Callco will not be a reporting issuer under the Legislation of any Jurisdiction, other than the province of Saskatchewan, where Callco will apply to cease to be a reporting issuer.

19. Molson was continued under the CBCA in 1979. Molson's principal executive offices are located in Montréal, Québec.

20. The authorized capital of Molson consists of (i) an unlimited number of Molson Class A Shares, of which 105,357,713 were outstanding as at the close of business on September 30, 2004, (ii) an unlimited number of Molson Class B Shares, of which 22,375,676 were outstanding as at the close of business on September 30, 2004 and (iii) an unlimited number of preference shares issuable in series, of which none are issued and outstanding.

21. As at the close of business on September 30, 2004, there were outstanding Molson Options to purchase 5,869,580 Molson Class A Shares issued pursuant to the Molson 1988 Canadian Stock Option Plan.

22. Molson is a reporting issuer or equivalent in all provinces and territories of Canada where such status exists and is not on the list of defaulting reporting issuers maintained under applicable Legislation.

23. The Molson Class A Shares and the Molson Class B Shares are listed on the TSX under the symbols "MOL.A" and "MOL.B", respectively.

24. Molson expects to apply to the Superior Court of Québec for an Interim Order which is expected to provide for the calling and holding of (i) the Molson Shareholders' Meeting to vote on the Arrangement and (ii) the Molson Optionholders' Meeting to vote on the exchange of Molson Options for Replacement Options.

25. The Transaction will be effected by way of the Arrangement which will require the affirmative vote of not less than 66 2/3% of the shares voted by holders of each of the Molson Class A Shares and the Molson Class B Shares, voting separately as classes, present in person or by proxy at the Molson Shareholders' Meeting. The approval of the exchange of Molson Options for Replacement Options will require the affirmative vote of not less than 66 2/3% of the votes cast at the Molson Optionholders' Meeting by holders of Molson Options.

26. In connection with the Molson Shareholders' Meeting and Molson Optionholders' Meeting, Molson will deliver the Circular to its shareholders and optionholders. The Circular contains a description of the business and affairs of Molson prepared pursuant to applicable Canadian securities law and also includes prospectus-level disclosure of the business and affairs of Coors, as well as a detailed description of the Transaction and the Arrangement. As it relates to Molson, the Circular will also comply with applicable provisions of the CBCA and the Interim Order.

27. Coors will also hold a special meeting of its stockholders to adopt a restated certificate of incorporation and to amend the by-laws of Coors and to approve the issuance of shares of Coors Common Stock and the Special Voting Shares (and any shares convertible or exchangeable for any such stock) as contemplated by the Combination Agreement and the Arrangement. The Circular will also serve as the Coors proxy statement under U.S. federal securities laws in respect of these matters. As it relates to Coors, the Circular will also comply with the proxy rules of the SEC and applicable provisions of Delaware corporate law.

28. A Holdco Shareholder may choose to transfer to Molson all of the issued and outstanding shares of his, her or its Holdco in exchange for the same number of new Molson Class A Shares or Molson Class B Shares, as the case may be, as are held by the Holdco at the time of purchase and sale of new Molson Shares (a "**Safe Income Tuck-In Transaction**").

29. The purpose of a Safe Income Tuck-In Transaction is to enable Holdco Shareholders to achieve certain tax planning objectives relating to the ownership of their Molson Shares. Such transactions are intended to allow a Holdco Shareholder access to the amount of "safe income" for purposes of the ITA attributable to the Holdco Shareholder's investment in Molson Shares, without affecting the cost basis for tax purposes of Molson Shares held by other holders.

30. Following completion of the Safe Income Tuck-In Transactions, the Holdco Shareholders, either directly or through one or more Holdcos, as well as all other Molson shareholders, will own the same number of Molson Shares that they each

owned immediately prior to the Safe Income Tuck-In Transactions and will have the same rights and benefits in respect of such shares that each had immediately prior to the Safe Income Tuck-In Transactions.

31. The Safe Income Tuck-In Transactions must be completed within five and fifteen (15) business days prior to the closing of the Transaction. Molson intends to dissolve, liquidate or amalgamate with each of the Holdcos acquired by it pursuant to the Safe Income Tuck-In Transactions under the CBCA prior to the effective time of the Arrangement.

32. On the Arrangement becoming effective, the outstanding Molson Shares held by each holder of Molson Shares other than, (i) Molson Shares held by shareholders exercising their dissent rights who are ultimately entitled to be paid the fair value of the Molson Shares held by them, and (ii) Molson Shares held by Coors or an affiliate thereof, will be exchanged by the holder thereof with Exchangeco for, at the holder's option:

(1) in the case of each Molson Class A Share held by a holder:

A. 0.360 (the "**Exchange Ratio**") of a Class B Exchangeable Share (and certain ancillary rights), or

B. 0.360 of an Exchangeco Class B1 Preferred Share and 0.360 of an Exchangeco Class B2 Preferred Share that, as part of the Arrangement, will be promptly exchanged for 0.360 of a share of Molson Coors Class B Common Stock, or

C. an equivalent combination of Class B Exchangeable Shares (and certain ancillary rights) and, through the preferred share exchange referenced in B above, Molson Coors Class B Common Stock, as selected by the holder.

(2) in the case of each Molson Class B Share held by a holder:

A. 0.126 of a Class A Exchangeable Share (and certain ancillary rights) and 0.234 of a Class B Exchangeable Share (and certain ancillary rights), or

B. both:

I. 0.234 of an Exchangeco Class B1 Preferred Share and 0.234 of an Exchangeco Class B2 Preferred Share that, as part of the Arrangement, will be promptly exchanged for 0.234 of a share of Molson Coors Class B Common Stock and

II. 0.126 of an Exchangeco Class A Preferred Share that, as part of the Arrangement, will be promptly exchanged for 0.126 of a share of Molson Coors Class A Common Stock, or

C. an equivalent combination of Exchangeable Shares (and certain ancillary rights) and through the preferred share exchange described in B above, Molson Coors Common Stock, as selected by the holder.

the whole as set forth in the validly completed and delivered letter of transmittal and election form of the holder of Molson Shares, provided that notwithstanding the foregoing, only holders of Molson Shares who are registered or beneficial Canadian residents shall be entitled to receive in respect of any such Molson Shares the consideration described in (1)(A) and (1)(C) and (2)(A) and (2)(C) above and the Molson Shares of all other holders, subject to procedures described below, shall be deemed to have been transferred to Exchangeco solely in consideration for, respectively, (a) Exchangeco Class B1 Preferred Shares and Exchangeco Class B2 Preferred Shares pursuant to (1)(B) above (in the case of Molson Class A Shares), and (b) Exchangeco Class A Preferred Shares, Exchangeco Class B1 Preferred Shares and Exchangeco Class B2 Preferred Shares pursuant to (2)(B) above (in the case of Molson Class B Shares).

33. Each Molson Class A Share in respect of which a duly completed letter of transmittal and election form has not been deposited by the prescribed deadline with the depositary will be deemed to be subject to an election to receive (a) where the address of the holder of such Molson Class A Shares as shown in the register of Molson Class A Shares as of the close of business (Montreal time) on the day preceding the Arrangement Implementation Date is in Canada, the consideration set out in paragraph 31(1)(A) above and (b) in all other cases, the consideration set out in paragraph 31(1)(B) above.

34. Each Molson Class B Share in respect of which a duly completed letter of transmittal and election form has not been deposited by the prescribed deadline with the depositary will be deemed to be subject to an election to receive (a)

where the address of the holder of such Molson Class B Shares as shown in the register of Molson Class B Shares as of the close of business (Montreal time) on the day preceding the Arrangement Implementation Date is in Canada, the consideration set out in paragraph 31(2)(A) above and (b) in all other cases, the consideration set out in paragraph 31(2)(B) above.

35. Each Molson Option will be exchanged with Molson Coors for a Replacement Option to purchase a number of shares of Molson Coors Class B Common Stock equal to the product of the Exchange Ratio and the number of Molson Class A Shares subject to such Molson Option.

36. Holders of Molson Class A and Class B Shares, excluding Pentland (and its subsidiaries), will receive a special dividend of CDN$3.26 per share, payable by Molson in connection with the Arrangement to holders of Molson Shares who are of record on the last trading day immediately prior to the effective time of the Arrangement.

37. At the time of listing of the Exchangeable Shares and Exchangeco Class A, B1 and B2 Preferred Shares on the TSX: (i) the holder of each outstanding Exchangeco Class A Preferred Share will transfer as part of the Arrangement each such share to Callco in exchange for one share of Molson Coors Class A Common Stock and (ii) the holder of each outstanding Exchangeco Class B1 Preferred Share and Exchangeco Class B2 Preferred Share will transfer as part of the Arrangement each such share to Callco in exchange for one share of Molson Coors Class B Common Stock as the aggregate consideration receivable for one Exchangeco Class B1 Preferred Share plus one Exchangeco Class B2 Preferred Share.

38. Holders of Molson Shares may exercise Dissent Rights in connection with the Arrangement and the Interim Order. Holders of Molson Shares who duly exercise such Dissent Rights and who:

    (a) are ultimately determined to be entitled to be paid fair value for their Molson Shares will be deemed to have transferred such Molson Shares to Exchangeco or Molson, to the extent the fair value therefor is paid by Exchangeco or Molson; or

    (b) are ultimately determined not to be entitled, for any reason, to be paid fair value for their Molson Shares will be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Molson Shares.

39. The Exchangeable Shares (and ancillary rights), together with the Voting and Exchange Trust Agreement, will provide holders thereof with a security of a Canadian issuer having economic and voting rights which are substantially economically equivalent to those of a share of Corresponding Molson Coors Common Stock.

40. The Class A Exchangeable Shares will be exchangeable for shares of Molson Coors Class A Common Stock and the Class B Exchangeable Shares will be exchangeable for shares of Molson Coors Class B Common Stock, on a one-for-one basis at any time at the option of a holder. The Exchangeable Shares are subject to adjustment or modification in the event of a stock split or other change to the capital structure of Molson Coors so as to maintain at all times the initial one-to-one relationship between the Exchangeable Shares and shares of Molson Coors Common Stock.

41. The Exchangeable Share Provisions will provide that each Exchangeable Share will entitle the holder to dividends from Exchangeco payable at the same time as, and equivalent to, each dividend paid by Molson Coors on shares of Corresponding Molson Coors Common Stock. The declaration date, record date and payment date for dividends on the Exchangeable Shares will be the same as the relevant date for the dividends declared on the shares of Corresponding Molson Coors Common Stock.

42. The Exchangeable Shares will be retractable at the option of the holder at any time, subject to the Retraction Call Right. Upon retraction, the holder will be entitled to receive from Exchangeco for each Exchangeable Share retracted the Retraction Price, to be satisfied by the delivery of one share of Corresponding Molson Coors Common Stock together with, on the designated payment date therefor, an amount equal to all declared and unpaid dividends on each such retracted Exchangeable Share held by the holder on any dividend record date prior to the date of retraction. Upon being notified by Exchangeco of a proposed retraction of Exchangeable Shares, Callco will have a Retraction Call Right to purchase from the holder all of the Exchangeable Shares that are the subject of the retraction notice for a price per share equal to the Retraction Price (to be satisfied by the delivery of one share of Corresponding Molson Coors Common Stock and an amount in cash equal to the declared and unpaid dividends, if any, on the Exchangeable Shares of the relevant class).

43. Subject to the applicable law and the Redemption Call Right, Exchangeco will redeem all but not less than all of the then outstanding Exchangeable Shares on or any time after the “Redemption Date”, defined as the date established by the board of directors of Exchangeco for the redemption of the Exchangeco Shares, which date shall be no earlier than 40 years from the Arrangement Implementation Date, unless in the case of the Class A Exchangeable Shares, there

are outstanding fewer than 5% of the actual number of Class A Exchangeable Shares issued as part of the Transaction (other than Class A Exchangeable Shares held by Molson Coors and its affiliates), and in the case of the Class B Exchangeable Shares, there are outstanding fewer than 5% of actual number of Class B Exchangeable Shares issued as part of the Transaction (other than Class B Exchangeable Shares held by Molson Coors and its affiliates). As described in the Circular, in certain circumstances the board of directors of Exchangeco may accelerate the Redemption Date. Upon such redemption, a holder will be entitled to receive from Exchangeco for each Exchangeable Share redeemed the Redemption Price, to be satisfied by the delivery of one share of Molson Coors Common Stock together with, on the designated payment date thereof, all declared and unpaid dividends on each such redeemed Exchangeable Share held by the holder on any dividend record date prior to the Redemption Date. Callco will have a Redemption Call Right to purchase on the Redemption Date all but not less than all of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by Molson Coors and its affiliates) for a price per share equal to the Redemption Price (to be satisfied by the delivery of one share of Corresponding Molson Coors Common Stock and an amount in cash equal to the declared and unpaid dividends if any, on the Exchangeable Shares of the relevant class). Upon the exercise of the Redemption Call Right by Callco, holders will be obligated to sell their Exchangeable Shares to Callco.

44. Subject to the Liquidation Call Right, in the event of the liquidation, dissolution or winding-up of Exchangeco, or any other distribution of the assets of Exchangeco among its shareholders for the purpose of winding up its affairs, a holder of Exchangeable Shares will be entitled to receive from the assets of Exchangeco in respect of each Exchangeable Share held by such holder on the Liquidation Date, before any distribution of any part of the assets of the Corporation among the holders of Exchangeco Restricted Shares or Exchangeco Preferred Shares, the Liquidation Amount, to be satisfied by the delivery of one share of Molson Coors Common Stock together with, on the designated payment date thereof, all declared and unpaid dividends on each such redeemed Exchangeable Share held by the holder on any dividend record date prior to the Redemption Date. Upon a proposed liquidation, dissolution or winding-up of Exchangeco, Callco will have a Liquidation Call Right to purchase from all but not less than all of the holders of the Exchangeable Shares (other than the Exchangeable Shares held by Molson Coors and its affiliate) on the Liquidation Date all but not less than all of the Exchangeable Shares held by each such holder for the Liquidation Amount (to be satisfied by the delivery of one share of Corresponding Molson Coors Common Stock and an amount in cash equal to the declared and unpaid dividends if any, on the Exchangeable Shares of the relevant class).

45. Pursuant to the Exchangeable Share Provisions, holders of Class A Exchangeable Shares may, at any time and from time to time, convert any or all outstanding shares of Class A Exchangeable Shares they hold into Class B Exchangeable Shares on a one-for-one basis, equitably adjusted in the event of any recapitalization of outstanding Class A Exchangeable Shares of Class B Exchangeable Shares, or in the event of any merger, consolidation or other reorganization of Exchangeco.

46. Subject to certain conditions set out in the Exchangeable Share Provisions, if an “exclusionary offer”, (as defined in the Exchangeable Share Provisions) is made for shares of Molson Coors Class A Common Stock or shares of Molson Coors Class A Common Stock and Class A Exchangeable Shares, each outstanding Class B Exchangeable Share will be convertible into one Class A Exchangeable Share at the option of the holder. This conversion right is intended to ensure that holders of Class B Exchangeable Shares and shares of Molson Coors Class B Common Stock receive equal treatment in the event of an exclusionary offer and is similar to the “coattail” provisions currently provided for in the Molson Class A Share conditions.

47. The Exchangeable Shares will be non-voting (except as required by the Exchangeable Share Provisions or by applicable law) with respect to Exchangeco. Pursuant to the Voting and Exchange Trust Agreement, holders of Exchangeable Shares will have certain voting rights with respect to Molson Coors.

48. Pursuant to the Voting and Exchange Trust Agreement, Molson Coors will issue one Special Class A Voting Share and one Special Class B Voting Share to the Trustee for the benefit of the holders (other than Molson Coors and its affiliates) of the corresponding Exchangeable Shares. With respect to all meetings of shareholders of Coors at which holders of Coors Common Stock are entitled to vote and with respect to all written consents sought by Coors from its shareholders including the holders of Coors Common Stock, each registered holder of Exchangeable Shares (other than Coors and its affiliates) shall be entitled to instruct the Trustee to cast and exercise that number of votes comprised in the voting rights for each Special Voting Share which is equal to that number of votes which would attach to the shares of Molson Coors Common Stock receivable upon the exchange of the Exchangeable Shares (i) corresponding to such Special Voting Share and (ii) owned of record by such holder on the record date established by Coors or by applicable law for such meeting or consent as the case may be. Holders of Exchangeable Shares will exercise the voting rights attached to the Special Voting Shares through the mechanism of the Voting and Exchange Trust Agreement. The Trustee, as the holder of the Special Voting Shares, will not be entitled to receive dividends from Molson Coors or to receive or participate in any distribution of assets upon any liquidation, dissolution or winding-up of Molson Coors.

49. The Special Voting Shares will be issued to and held by the Trustee for the benefit of the holders of the Exchangeable Shares outstanding from time to time (other than Molson Coors and its affiliates) pursuant to the Voting and Exchange Trust Agreement. Each holder of Exchangeable Shares (other than Molson Coors and its affiliates) on the record date for any meeting at which holders of shares of Corresponding Molson Coors Common Stock are entitled to vote will be entitled to instruct the Trustee to exercise one of the votes attached to the corresponding Special Voting Share for each Exchangeable Share held by such holder. The Trustee will exercise (either by proxy or in person) each vote attached to the corresponding Special Voting Share only as directed by the relevant holder of Exchangeable Shares and, in the absence of instructions from such holder as to voting, the Trustee will not exercise such votes. A holder of Exchangeable Shares may, upon instructing the Trustee, obtain a proxy from the Trustee entitling such holder to vote directly at the relevant meeting the votes attached to the corresponding Special Voting Share to which the holder is entitled. Upon the exchange of a holder's Exchangeable Shares for shares of Molson Coors Common Stock, all rights of such holder of Exchangeable Shares to instruct the Trustee to exercise votes attached to the Special Voting Share in respect of the exchanged Exchangeable Shares will cease.

50. Under the Voting and Exchange Trust Agreement, Molson Coors will grant to the Trustee for the benefit of the holders of the Exchangeable Shares the Exchange Right exercisable upon the insolvency of Exchangeco, to require Molson Coors to purchase from a holder of Exchangeable Shares (other than Molson Coors or its affiliates) all or any part of the Exchangeable Shares held by that holder. The purchase price for each Exchangeable Share purchased by Molson Coors under the Exchange Right will be an amount equal to the current market price of a share of Corresponding Molson Coors Common Stock on the last business day prior to the day of closing the purchase and sale of such Exchangeable Share under the Exchange Right, to be satisfied by the delivery to the Trustee, on behalf of the holder, of one share of Corresponding Molson Coors Common Stock, together with an additional amount equivalent to the full amount of all declared and unpaid dividends on such Exchangeable Share held by the holder of record on any dividend record date prior to the closing of the purchase and sale.

51. Upon the liquidation, dissolution or winding-up of Molson Coors, all Exchangeable Shares held by holders (other than Exchangeable Shares held by Molson Coors and its affiliates) will be automatically exchanged with Molson Coors pursuant to the Automatic Exchange Right for shares of Corresponding Molson Coors Common Stock pursuant to the Voting and Exchange Trust Agreement, in order that holders of Exchangeable Shares will be able to participate in the dissolution of Molson Coors on a pro rata basis with the holders of shares of Molson Coors Common Stock. The purchase price for each Exchangeable Share purchased by Molson Coors under the Automatic Exchange Right will be an amount equal to the current market price of a share of Corresponding Molson Coors Common Stock on the last business day prior to the day of closing the purchase and sale of such Exchangeable Share under the Automatic Exchange Right, to be satisfied by the delivery to the Trustee, on behalf of the holder, of one share of Corresponding Molson Coors Common Stock, together with an additional amount equivalent to the full amount of all declared and unpaid dividends on such Exchangeable Share held by the holder of record on any dividend record date prior to the closing of the purchase and sale.

52. The Exchangeable Share Support Agreement will provide for a number of protective measures for holders of Exchangeable Shares including that:

    (a) Molson Coors will not declare or pay any dividends on the shares of Molson Coors Common Stock unless Exchangeco is able to declare and pay, and simultaneously declares and pays, as the case may be, an equivalent dividend on the Exchangeable Shares;

    (b) Molson Coors will take all such actions and do all such things as are reasonably necessary or desirable to enable and permit Exchangeco and Callco, as the case may be, to honour the Liquidation Amount, the Retraction Price or the Redemption Price under the Exchangeable Share Provisions and to perform their obligations arising upon the exercise of the Liquidation Call Right, the Retraction Call Right or the Redemption Call Right; and

    (c) Molson Coors will not (and will ensure that Callco and its affiliates do not) exercise its vote as a shareholder nor take any action or omit to take any action to initiate or that is designed to result in the voluntary liquidation, dissolution or winding up of Exchangeco or any other distribution of the assets of Exchangeco among its shareholders for the purpose of winding-up its affairs.

53. The Exchangeable Share Support Agreement will provide that, without the prior approval of Exchangeco and the holders of the Exchangeable Shares, Molson Coors will not issue or distribute:

    (a) additional shares of Molson Coors Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire shares of Molson Coors Common Stock) by way of stock dividend or other distribution, other than an issue of shares of Molson Coors Common Stock to holders of shares of Molson

Coors Common Stock who exercise an option to receive dividends in shares of Molson Coors Common Stock in lieu of receiving cash dividends; or

(b) rights, options or warrants entitling them to subscribe for shares of Molson Coors Common Stock; or

(c) (i) shares or securities of Molson Coors of any class other than shares of Molson Coors Common Stock (other than shares convertible into or exchangeable for or carrying rights to acquire shares of Molson Coors Common Stock), (ii) rights, options or warrants other than those referred to in (b) above, (iii) evidences of indebtedness of Coors or (iv) assets of Coors,

to the holders of all or substantially all of the then outstanding shares of Molson Coors Common Stock, unless the economic equivalent on a per share basis of such rights, options, securities, shares, evidences of indebtedness or other assets is issued and distributed simultaneously to holders of the affected class of Exchangeable Shares.

54. Molson Coors and its board of directors will be prohibited from proposing or recommending or otherwise effecting with the consent or approval of its board of directors any tender or share exchange offer, issuer bid, take-over bid or similar transactions with respect to Molson Coors Class A or Class B Common Stock, unless the holders of Exchangeable Shares (other than Molson Coors and its affiliates) participate in the transaction to the same extent on an economically equivalent basis as the holders of Molson Coors Class A Common Stock and Molson Coors Class B Common Stock, without discrimination.

55. The steps under the Transaction and the attributes of the Exchangeable Shares contained in the Exchangeable Shares provisions, the Voting and the Exchange Trust Agreement and the Exchangeable Share Support Agreement involve or may involve a number of trades of securities, including trades related to the issuance of the Exchangeable Shares, Exchangeco Class A, B1 and B2 Preferred Shares, Exchangeco Class C Preferred Shares and shares of Molson Coors Common Stock pursuant to the Transaction. The trades and possible trades in securities to which the Transaction gives rise to are as follows:

Safe Income Tuck-in Transactions

(A) The transfers of shares of Holdco to Molson by Holdco Shareholders, such transfers to take place five to fifteen business days prior to the Arrangement Implementation Date, pursuant to the Safe Income Tuck–in Transactions;

(B) the issuance of Molson Shares by Molson to vendors of Holdcos as consideration in relation to Safe Income Tuck-in Transactions;

Trades by Molson shareholders at the effective time of the Arrangement (other than shareholders exercising dissent rights)

(C) the transfer of Molson Shares by holders to Exchangeco other than (i) Molson Shares held by a holder who has exercised its Dissent Rights and has been ultimately determined to be entitled to be paid fair value for its Molson Shares, (ii) Molson Shares held by Coors or any of its affiliates, and (iii) Molson Shares held by Holdcos participating in the Safe Income Tuck-in Transactions;

(D) the issuance of Exchangeable Shares by Exchangeco to holders of Molson Shares validly electing to, or deemed to have elected to, receive Exchangeable Shares upon the Arrangement;

(E) the issuance of Exchangeco Class A, B1 and B2 Preferred Shares by Exchangeco to holders of Molson Shares validly electing to, or deemed to have elected to, receive Exchangeco Class A, B1 and B2 Preferred Shares upon the Arrangement;

(F) the issuance and intra-group transfers of shares of Molson Coors Common Stock and related issuances of shares and/or promissory notes of affiliates of Molson Coors in consideration therefor, to enable Callco to deliver such shares of Molson Coors Common Stock to holders of Exchangeco Class A, B1 and B2 Preferred Shares;

(G) the subsequent delivery of shares of Molson Coors Common Stock by or at the direction of Callco upon such transfer;

Acquisition of Dissenters' Molson Shares

(H) the transfer of Molson Shares to Exchangeco, to the extent the fair value therefor is paid by Exchangeco, and to Molson, to the extent the fair value therefor is paid by Molson, by dissenting holders of Molson Shares ultimately determined to be entitled to be paid fair value for their Molson Shares pursuant to the Arrangement;

Replacement Options Issued by Coors

(I) the exchange of each Molson Option for a Replacement Option to purchase a number of shares of Molson Coors Class B Common Stock;

(J) the issuance and delivery of Molson Coors Class B Common Stock to a holder of a Replacement Option upon the exercise thereof;

Issuance by Coors of Special Voting Shares

(K) the issuance by Molson Coors of the Special Voting Shares to the Trustee, to be thereafter held of record by the Trustee as trustee for and on behalf, and for the use and benefit of, the holders of the Exchangeable Shares in accordance with the Voting and Exchange Trust Agreement;

Grant by Coors of certain Rights

(L) the grant by Molson Coors to the Trustee for the benefit of holders of Exchangeable Shares, other than Molson Coors and its affiliates, pursuant to the Voting and Exchange Trust Agreement, of the Exchange Right and the Automatic Exchange Right;

(M) the grant of the Liquidation Call Right to Callco to purchase all of the outstanding Exchangeable Shares (other than Exchangeable Shares held by Molson Coors or an affiliate of Coors) in the event of a proposed liquidation, dissolution or winding-up of Exchangeco;

(N) the grant of the Retraction Call Right to Callco to purchase from a holder of Exchangeable Shares all of the Exchangeable Shares of such holder that are the subject of the retraction notice;

(O) the grant of the Redemption Call Right to Callco to purchase all of the outstanding Exchangeable Shares (other than the Exchangeable Shares held by Molson Coors or an affiliate of Coors) upon notice from Exchangeco of a proposed redemption of Exchangeable Shares;

Exercise of Retraction Right and Retraction Call Right

(P) the transfer of Exchangeable Shares by a holder to Exchangeco upon the holder's retraction of Exchangeable Shares;

(Q) the transfer of Exchangeable Shares by a holder to Callco upon Callco exercising its Retraction Call Right;

(R) the issuance and intra-group transfers of shares of Molson Coors Common Stock and related issuances of shares and/or promissory notes of affiliates of Molson Coors in consideration therefor, from time to time to enable Exchangeco or Callco, as the case may be, to deliver shares of Molson Coors Common Stock to a holder of Exchangeable Shares upon a retraction by a holder of Exchangeable Shares or transfer by a holder of Exchangeable Shares to Callco;

(S) the subsequent delivery of shares of Molson Coors Common Stock by or at the direction of Exchangeco upon such retraction;

(T) the subsequent delivery of shares of Molson Coors Common Stock by or at the direction of Callco upon the exercise of such Retraction Call Right;

Exercise of Redemption Right and Redemption Call Right

(U) the transfer of Exchangeable Shares by holders to Exchangeco upon the redemption of Exchangeable Shares;

(V) the transfer of Exchangeable Shares by a holder to Callco upon Callco exercising its Redemption Call Right;

(W) the issuance and intra-group transfers of shares of Molson Coors Common Stock and related issuances of shares and/or promissory notes of affiliates of Molson Coors in consideration therefor, from time to time to enable Exchangeco or Callco, as the case may be, to deliver shares of Molson Coors Common Stock to a holder of Exchangeable Shares upon a redemption of Exchangeable Shares or transfer by a holder of Exchangeable Shares to Callco;

(X) the subsequent delivery of shares of Molson Coors Common Stock by or at the direction of Exchangeco upon such redemption;

(Y) the subsequent delivery of shares of Molson Coors Common Stock by or at the direction of Callco upon the exercise of such Redemption Call Right;

Exercise of Liquidation Right and Liquidation Call Right

(Z) the transfer of Exchangeable Shares by holders to Exchangeco on a liquidation, dissolution or winding-up of Exchangeco;

(AA) the transfer of Exchangeable Shares by holders to Callco upon Callco exercising its Liquidation Call Right;

(BB) the issuance and intra-group transfers of shares of Molson Coors Common Stock and related issuances of shares and/or promissory notes of affiliates of Coors in consideration therefor, from time to time to enable Exchangeco or Callco, as the case may be, to deliver shares of Molson Coors Common Stock to a holder of Exchangeable Shares upon a redemption of Exchangeable Shares or transfer by a holder of Exchangeable Shares to Callco;

(CC) the subsequent delivery of shares of Molson Coors Common Stock by Exchangeco upon such liquidation, dissolution or winding-up;

(DD) the subsequent delivery of shares of Molson Coors Common Stock by Callco upon the exercise of such Liquidation Call Right;

Exercise of Exchange Right

(EE) the transfer of Exchangeable Shares by a holder to Molson Coors upon the exercise or deemed exercise of the Exchange Right by such holder;

(FF) the subsequent issuance and delivery of shares of Molson Coors Common Stock by Coors to the Trustee, for delivery to such holder of Exchangeable Shares having exercised its Exchange Right;

Exercise of Automatic Exchange Right

(GG) the transfer of Exchangeable Shares by a holder to Molson Coors pursuant to the Automatic Exchange Right;

(HH) the issuance and delivery of shares of Coors Common Stock by Molson Coors to holders of Exchangeable Shares pursuant to the Automatic Exchange Right;

Exercise of Exchangeable Share Conversion Rights

(II) the issue of Class B Exchangeable Shares by Exchangeco on a one-for-one basis upon the conversion of Class A Exchangeable Shares by a holder;

(JJ) the issue of Class A Exchangeable Shares by Exchangeco on a one-for-one basis upon a conversion of Class B Exchangeable Shares by a holder, in case of an Exclusionary Offer (as defined in the Exchangeable Share Provisions);

(KK) the issue of Exchangeco Class A Shares on a one-for-one basis upon the conversion of Exchangeco Class A Preferred Shares or Exchangeco Class B1 Preferred Shares;

(LL) the issue of Exchangeco Class B Shares on a one-for-one basis upon the conversion of Exchangeco Class B2 Preferred Shares;

(MM) any subsequent redemption or retraction of Exchangeco Class A Preferred Shares, Exchangeco Class B1 Preferred Shares, Exchangeco Class B2 Preferred Shares or Exchangeco Class C Preferred Shares;

Exchangeable Shares distributed as a Stock Dividend

(NN) the issuance or transfer by Exchangeco of Exchangeable Shares to holders upon the declaration of a stock dividend on a class of shares of Molson Coors Common Stock;

Issuance and Transfer of Exchangeco Class C Preferred Shares

(OO) the issuance of Exchangeco Class C Preferred Shares to a service provider,

(collectively, the "**Trades**").

56. As a result of the substantial economic and voting equivalency between the Exchangeable Shares (and ancillary rights) and shares of Molson Coors Common Stock, holders of Exchangeable Shares will have a participating interest determined by reference to Molson Coors, rather than Exchangeco, and dividend and dissolution entitlements will be determined by reference to the financial performance and condition of Molson Coors, rather than Exchangeco. In light of the fact that the value of the Exchangeable Shares, determined through dividend and dissolution entitlements and capital appreciation, is determined by reference to the consolidated financial performance and condition of Molson Coors rather than Exchangeco, information respecting Exchangeco (otherwise than as included in Coors' public disclosure and consolidated financial statements) is not relevant to holders of Molson Shares.

57. The fundamental investment decision to be made by a holder of Molson Shares is made at the time when such holder votes in respect of the Arrangement. As a result of this decision, a holder (other than a holder exercising its Dissent Rights) will ultimately receive Exchangeable Shares or shares of Molson Coors Common Stock in exchange for the Molson Shares held by such holder. The Exchangeable Shares (together with ancillary rights) will provide certain Canadian tax benefits to certain Canadian holders but will otherwise be substantially the economic and voting equivalent of shares of Molson Coors Common Stock, and as such all subsequent exchanges of Exchangeable Shares are in furtherance of the holder's initial investment decision.

58. The shareholders of Molson will receive prospectus-level disclosure with respect to Molson and Coors in deciding whether to vote in favour of the Arrangement pursuant to which the Exchangeable Shares, Exchangeco Class A, B1 and B2 Preferred Shares, Exchangeco Class C Preferred Shares and shares of Molson Coors Common Stock will be issued.

Decision

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

Circular Relief

1. The decision of the Decision Makers in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon and Nunavut under the Legislation is that the Circular Relief is granted.

Issuer Bid Relief

2. The further decision of the Decision Makers in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador under the Legislation is that the Issuer Bid Relief is granted.

Issuer Bid Report and Fee Relief

3. The further decision of the Decision Maker in Québec under the Legislation is that the Issuer Bid Report and Fee Relief is granted.

Registration and Prospectus Relief

4. The further decision of the Decision Makers in Québec, Manitoba, Yukon, the Northwest Territories and Nunavut under the Legislation is that the Registration and Prospectus Relief is granted provided that the Exchangeco Class A, B1 and B2 Preferred Shares be transferred to Callco in exchange for shares of Molson Coors Common Stock as part of the Arrangement.

Resale of Securities

5. The further decision of the Decision Makers in Québec, Manitoba, Yukon, the Northwest Territories and Nunavut under the Legislation is that the a Resale of Securities will not be a distribution or primary distribution to the public under the legislation of Québec, Manitoba, Yukon, the Northwest Territories and Nunavut provided that:

   (a) the Exchangeco Class A, B1 and B2 Preferred Shares be transferred to Callco in exchange for shares of Molson Coors Common Stock as part of the Arrangement;

   (b) in Québec, the alienation of Exchangeable Shares, Exchangeco Class A, B1 and B2 Preferred Shares, Exchangeco Class C Preferred Shares or shares of Molson Coors Common Stock acquired pursuant to this Decision shall be deemed a distribution unless:

      (i) at the time of the alienation, the issuer is and has been a reporting issuer in Québec for the four months preceding the alienation. For purposes of determining the number of months that the issuer has been a reporting issuer in Québec, the number of months that Molson has been a reporting issuer can be included;

      (ii) no unusual effort is made to prepare the market or to create a demand for the Exchangeable Shares, Exchangeco Class A, B1 and B2 Preferred Shares, Exchangeco Class C Preferred Shares or shares of Molson Coors Common Stock;

      (iii) no extraordinary commission or consideration is paid to a person or company in respect of the alienation; and

      (iv) if the seller of the Exchangeable Shares, Exchangeco Class A, B1 and B2 Preferred Shares, Exchangeco Class C Preferred Shares or shares of Molson Coors Common Stock is an insider of the issuer, the seller has no reasonable grounds to believe that the issuer is in default of any requirement of the Legislation of Québec;

   (c) in Manitoba, Yukon, the Northwest Territories and Nunavut, the first trade of Exchangeable Shares, Exchangeco Class A, B1 and B2 Preferred Shares, Exchangeco Class C Preferred Shares or shares of Molson Coors Common Stock acquired pursuant to this Decision shall be deemed a distribution or primary distribution to the public unless such trade is made in compliance with the conditions set out in Section 2.6(3) or Section 2.8, as applicable, of MI 45-102.

Continuous Disclosure Relief

6. The further decision of the Decision Makers in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon and Nunavut under the Legislation is that the Continuous Disclosure Relief is granted provided that:

   (a) the Exchangeco Class A, B1 and B2 Preferred Shares be transferred to Callco in exchange for shares of Molson Coors Common Stock as part of the Arrangement;

   (b) Molson Coors is the direct or indirect beneficial owner of all the issued and outstanding voting securities of Exchangeco and the Exchangeco Class A, B1 and B2 Preferred Shares, with the exception of the Exchangeco Class A, B1 and B2 Preferred Shares until such shares are exchanged for shares of Molson Coors Common Stock as part of the Arrangement;

   (c) Molson Coors, directly or indirectly, and/or banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions are the beneficial owners of all the issued and outstanding Exchangeco Class C Preferred Shares;

   (d) Molson Coors is an SEC issuer with a class of securities listed or quoted on a U.S. marketplace;

(e) Exchangeco does not issue any securities other than,

(i) Exchangeable Shares;

(ii) Exchangeco Class A, B1 and B2 Preferred Shares, provided that such shares may only be issued in connection with the Arrangement;

(iii) securities issued to Molson Coors or to a subsidiary or affiliate of Molson Coors;

(iv) Exchangeco Class C Preferred Shares issued in connection with the Arrangement; or

(v) debt securities issued to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions.

(f) Exchangeco files copies of all documents that Molson Coors is required to file with the SEC, at the same time as, or as soon as practicable after, the filing by Molson Coors of those documents with the SEC;

(g) Exchangeco concurrently sends to all holders of Exchangeable Shares, in the manner and at the time required by U.S. laws and the requirements of any U.S. marketplace on which securities of Molson Coors are listed or quoted, all disclosure materials that are sent to the holders of shares of Molson Coors Common Stock;

(h) Molson Coors is in compliance with U.S. laws and the requirements of any U.S. market place on which securities of Molson Coors are listed or quoted in respect of making public disclosure of material information on a timely basis, and immediately issues in Canada and files any news release that discloses a material change in its affairs;

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

(j) Molson Coors includes in all mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise statement that,

(i) explains the reason the mailed material relates solely to Molson Coors;

(ii) indicates that the Exchangeable Shares are the economic equivalent to the shares of Molson Coors Common Stock; and

(iii) describes the voting rights associated with the Exchangeable Shares.

Insider Reporting and Filing of Insider Profile Relief

7. The further decision of the Decision Makers in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Yukon and Nunavut under the Legislation is that the Insider Reporting and Filing of Insider Profile Relief is granted provided that:

(a) the Exchangeco Class A, B1 and B2 Preferred Shares be transferred to Callco in exchange for shares of Molson Coors Common Stock as part of the Arrangement;

(b) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning Molson Coors before the material facts or material changes are generally disclosed;

(c) the insider is not an insider of Molson Coors in any capacity other than by virtue of being an insider of Exchangeco;

(d) Molson Coors is the direct or indirect beneficial owner of all the issued and outstanding voting securities of Exchangeco and the Exchangeco Class A, B1 and B2 Preferred Shares, with the exception of the Exchangeco Class A, B1 and B2 Preferred Shares until such shares are exchanged for shares of Molson Coors Common Stock as part of the Arrangement;

(e) Molson Coors, directly or indirectly, and/or banks, loan corporations, trust corporations, treasury branches, insurance companies or other financial institutions are the beneficial owners of all the issued and outstanding Exchangeco Class C Preferred Shares;

(f) Molson Coors is an SEC issuer;

(g) Exchangeco does not issue any securities other than,

(i) Exchangeable Shares;

(ii) Exchangeco Class A, B1 and B2 Preferred Shares, provided that such shares may only be issued in connection with the Arrangement;

(iii) securities issued to Molson Coors or to a subsidiary or affiliate of Molson Coors;

(iv) Exchangeco Class C Preferred Shares issued in connection with the Arrangement; or

(v) debt securities issued to banks, loan corporations, trust corporations, treasury branches, insurance companies or other financial institutions.

(h) the Insider Reporting and Filing of Insider Profile Relief shall not be available to any person who is an insider of Exchangeco by virtue of such person's holdings of Exchangeco Class D Preferred Shares.

Short Form Prospectus Eligibility Relief

8. The further decision of the Decision Makers in all Jurisdictions under the Legislation is that the Short Form Prospectus Eligibility Relief is granted provided that:

(a) Exchangeco adopts as its current and any subsequent renewal annual information form Coors' or Molson Coors', as applicable, annual report on Form 10K filed under the 1934 Act;

(b) Exchangeco shall incorporate by reference in any short form prospectus documents filed by Molson Coors with the SEC under the 1934 Act, as amended (including, without limitation, Form 10-Ks, Form 10-Qs, Form 8-Ks, management's discussion and analysis, press releases and proxy statements), as necessary, in lieu of the documents of Exchangeco required or deemed to be incorporated by reference in a short form prospectus and shall be permitted to incorporate by reference such documents in lieu of the documents of Exchangeco permitted to be incorporated by reference in a short form prospectus;

(c) only Class A Exchangeable Shares and Class B Exchangeable Shares are issued by Exchangeco pursuant to a short form prospectus;

(d) at the time of filing of a short form prospectus by Exchangeco, Molson Coors is eligible to issue securities in Canada through the Multijurisdictional Disclosure System;

(e) Exchangeco would satisfy the eligibility requirement with respect to the aggregate market value of the issuer's equity securities if the aggregate market value of the Exchangeable Shares and shares of Molson Coors Common Stock was taken into account; and

(f) the qualification certificate required to be filed by Exchangeco for filing a preliminary short form prospectus shall state that Exchangeco satisfies the requirement of having a current AIF in accordance with the Short Form Prospectus Eligibility Relief.

"Jean St-Gelais"
Président-directeur general
Quebec Securities Commission

2.1.16 Concentra Financial Services Association - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the prospectus and registration requirements in respect of a federal trust company continuing as a retail association under the Cooperative Credit Associations Act (Canada) – New entity to provide the same services as a Schedule 1 chartered bank under the Bank Act (Canada) and to be entitled to prospectus and registration exemptions applicable to a Schedule I bank.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 25, 34(1)(a), 35(1)11, 35(2)1(c), 53, 73(1)(a), 74(1).

Applicable Ontario Regulations

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 100(3), 151(f), 206 and 209.

Applicable Instruments, Rules and Policies

Ontario Securities Commission Rule 31-505 Conditions of Registration.
Ontario Securities Commission Rule 32-502 Registration Exemption for Certain Trades by Financial Intermediaries.
Ontario Securities Commission Rule 32-503 Registration and Prospectus Exemption for Trades by Financial Intermediaries in Mutual Fund Securities to Corporate Sponsored Plans.
Multilateral Instrument 45-102 Resale of Securities.
Ontario Securities Commission Rule 45-501 Exempt Distributions.

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

AND

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

AND

IN THE MATTER OF
CONCENTRA FINANCIAL SERVICES ASSOCIATION/ ASSOCIATION DE SERVICES FINANCIERS CONCENTRA, AN ASSOCIATION UNDER THE COOPERATIVE CREDIT ASSOCIATIONS ACT (CANADA)

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut (the "Jurisdictions") has received an application (the "Application") from Co-operative Trust Company of Canada ("CTCC") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that CTCC, as continued under the name and style of Concentra Financial Services Association/Association de services financiers Concentra ("Concentra Financial"), an association under the *Cooperative Credit Associations Act* S.C. 1991, c. 48, as amended (the "CCA Act"), be exempt from various registration requirements, prospectus requirements and filing requirements of the Legislation in connection with the business activities to be carried on by Concentra Financial in Canada;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Saskatchewan Financial Services Commission is the principal regulator for this application;

AND WHEREAS defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this Decision unless they are defined in this Decision;

AND WHEREAS it has been represented to the Decision Makers that:

1. CTCC is a federal corporation having been continued under a special Act of the Parliament of Canada entitled *An Act respecting Co-operative Trust Company Limited*, identified as Chapter 49 16-17 Elizabeth II, by Letters Patent issued on December 21, 1967, as amended May 17, 1973, November 27, 1974, June 17, 1980, January 29, 1982, and December 15, 1997. CTCC was initially incorporated by an Act of the Legislature of the Province of Saskatchewan on March 24, 1952, before being continued as a federal corporation;

2. CTCC operates as a federal trust company under the *Trust and Loan Companies Act* (Canada), is currently licensed to carry on business as a trust company in each province and territory of Canada and is licensed to accept deposits in all provinces and territories except Quebec. CTCC is a member of the Canada Deposit Insurance Corporation ("CDIC"). CTCC is not presently a member of the Quebec Deposit Insurance Corporation ("QDIC");

3. CTCC is owned by Credit Union Central of Saskatchewan and various other provincial centrals, credit unions and co-operative entities;

4. CTCC is not a reporting issuer in any province or territory of Canada, nor are any of its securities listed on any stock exchange in Canada;

5. CTCC wishes to continue as Concentra Financial, an association under the provisions of Section 31.1(1) of the CCA Act. Concurrent with that continuance, Concentra Financial will seek an order of the Minister of Finance under s. 375.1 of the CCA Act, that Concentra Financial be permitted to operate as a retail association under the CCA Act;

6. Under the CCA Act, a retail association will have essentially all of the powers of a retail bank and will be subject to prudential rules similar to those applicable to a Schedule I chartered bank under the *Bank Act* (Canada) (a "Schedule I Bank") and oversight by the Office of the Superintendent of Financial Institutions ("OSFI") and the Minister of Finance, Canada. In addition, as a condition to accepting deposits, a retail association must be a member of CDIC and, if it wishes to accept deposits in Quebec, a member of QDIC. Concentra Financial will have the benefit of CTCC's existing membership in CDIC, amended as necessary following continuance;

7. Following continuance as a retail association, Concentra Financial intends to provide a wide range of financial services to the general public in each of the Jurisdictions as may be permitted under the CCA Act (the "Products and Services"), subject to any restrictions on such activities placed on Concentra Financial under the CCA Act, the Regulations thereunder or pursuant to any order, decision or ruling of the Minister of Finance, which Products and Services may include the following:

   (a) provide financial services;

   (b) subject to being a member of CDIC the taking of deposits in each of the Jurisdictions except Quebec;

   (c) subject to being a member of QDIC, the taking of deposits in Quebec;

   (d) providing lending services;

   (e) providing investment counselling and portfolio management services;

   (f) issue payment, credit or charge cards and, either alone or in cooperation with others, operate a payment, credit, and/or charge card plan;

   (g) provide electronic banking services;

   (h) providing lease and mortgage services, and in connection therewith Concentra Financial may hold, manage or deal with personal and real property;

   (i) acting as a custodian of property on behalf of members and other clients;

   (j) providing management, investment, administrative, advisory, educational, promotional, technical, research and consultative services to members of the credit union system;

   (k) collecting, transmitting and manipulating financial or economic data;

   (l) investing in other entities, including financial institutions; and

   (m) advertising and promotion of the services and products of Concentra Financial.

8. Upon obtaining an Order to Commence Business (the "Order") issued by the Superintendent of Financial Institutions (the " Superintendent") appointed pursuant to the *Office of the Superintendent of Financial Institutions Act* (Canada), Concentra Financial will be subject to the same prudential rules, policies and substantially the same regulation that apply to a Schedule I Bank and other Canadian financial institutions that accept retail deposits, namely:

   (a) Concentra Financial will be subject to the same capital adequacy guidelines and liquidity requirements that apply to all Canadian retail deposit taking institutions;

   (b) Concentra Financial will be subject to the same regulatory provisions that enable the Superintendent under the CCA Act to limit the scope of the financial services that may be provided by a federal financial institution. As with other federal financial institutions, the Superintendent may also take control of Concentra Financial if the Superintendent views its business practices to be unsafe;

   (c) The Superintendent under the CCA Act must annually inspect Concentra Financial and its business operations;

   (d) Concentra Financial must advise the Superintendent of the directors of the association and the Superintendent may require a replacement of directors;

   (e) Except as authorized under the CCA Act, Concentra Financial must not deal in goods, wares or merchandise or engage in any trade or business other than that of a federal financial institution, and the downstream investments of Concentra Financial will be limited to investments in other financial service providers and financial service support service providers as are specifically set forth in the CCA Act;

(f) As specifically set forth in the CCA Act, Concentra Financial will be subject to portfolio limits on categories of investments. Unlike a bank, but similar to a trust company, Concentra Financial will be limited in the percentage of commercial loans it may have as a percentage of its total assets; and

(g) Concentra Financial will be required to provide ongoing information returns to OSFI and all records of the retail association are available for inspection by OSFI.

9. Under the current Legislation, Canadian financial institutions have numerous exemptions from various aspects of the Legislation;

10. Concentra Financial will continue to be subject to OSFI and CDIC oversight and regulation as well as applicable provincial regulation; however the existing exemptions relating to the registration, prospectus and filing requirements available to Canadian financial institutions are not currently available to Concentra Financial because an association under the CCA Act is not currently recognized as a Canadian financial institution under the Legislation;

11. In order to ensure that Concentra Financial will be able to provide the Products and Services in the Jurisdictions it requires similar exemptions enjoyed by Canadian financial institutions;

12. Concentra Financial shall be an association under the CCA Act and shall be federally regulated by OSFI and CDIC on an ongoing basis, on terms substantially similar to the federal regulation of a Schedule I Bank, and CTCC has advised OSFI and CDIC of the nature and existence of the Application;

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that:

1. Concentra Financial is exempt from the adviser registration requirement under the Legislation where the performance of the services as an adviser is solely incidental to its principal business;

2. Concentra Financial is exempt from the underwriter registration requirement under the Legislation, where applicable, for the purpose of any trading in securities in the same circumstances that a Schedule I Bank could act as an underwriter without being subject to the underwriter registration requirement under the Legislation in that Jurisdiction;

3. Except in Ontario, a trade of a security to Concentra Financial, where Concentra Financial purchases the security as principal, shall be exempt from the dealer registration requirement and prospectus requirement of the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Legislation") provided that:

(a) the forms that would have been filed and the fees that would have been paid under the Applicable Legislation if the trade had been made, on an exempt basis, to a Canadian financial institution or, for the purposes of Quebec, a sophisticated purchaser as defined in the Quebec Act, purchasing as principal are filed and paid in respect of the trade to Concentra Financial;

(b) except in Quebec, the first trade in a security acquired by Concentra Financial pursuant to this Decision is deemed a distribution or primary distribution to the public under the Applicable Legislation unless the conditions in subsection (2) of section 2.5 of Multilateral Instrument 45-102 – *Resale of Securities* are satisfied;

(c) in Quebec, the alienation of a security acquired by Concentra Financial pursuant to this Decision will be a distribution unless:

(i) the issuer of the securities is a reporting issuer in Quebec;

(ii) the issuer has been a reporting issuer in Quebec for the 4 months immediately preceding the alienation;

(iii) Concentra Financial has held the securities for at least 4 months;

(iv) no extraordinary commission or other consideration is paid in respect of the alienation;

(v) no effort is made to prepare the market or to create a demand for the securities; and

(vi) if Concentra Financial is an insider of the issuer, Concentra Financial has no reasonable

grounds to believe that the issuer is in default under the Quebec Act;

where the issuer becomes a reporting issuer in Quebec by the filing of a prospectus in Quebec, and this, after the initial trade of the securities to Concentra Financial, the issuer does not have to comply with the condition provided at subparagraph (ii) above;

(d) In Newfoundland and Labrador, the exemption in this paragraph 3 is not available to a market intermediary;

4. (a) Concentra Financial is exempt from the dealer registration requirement of the Legislation for the execution of an unsolicited order to purchase or sell through a registered dealer as agent for a person or company provided Concentra Financial, or any affiliate, does not advertise or otherwise promote or market this service; and

(b) The trade by the person or company in placing the unsolicited order referred to in subparagraph 4(a) is exempt from the dealer registration requirement unless, in Ontario and Newfoundland and Labrador, the person or company is a market intermediary;

5. Concentra Financial is exempt from the dealer registration requirement of the Legislation for trades in a bond or debenture by way of an unsolicited order given to Concentra Financial, provided Concentra Financial is acting as principal, and the bond or debenture is acquired by Concentra Financial for the purpose of the trade from, or sold by Concentra Financial following the trade to, a registered dealer;

6. The trade of bonds, debentures or other evidences of indebtedness of or guaranteed by Concentra Financial is exempt from the dealer registration requirement and prospectus requirement of the Legislation, provided that in British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia, and Prince Edward Island such bonds, debentures or other evidences of indebtedness of or guaranteed by Concentra Financial are not subordinate in right of payment to deposits held by the issuer or guarantor of such bonds, debentures or other evidences of indebtedness;

7. A registered dealer or registered salesperson, partner or officer of a registered dealer that executes a trade on the instructions of Concentra Financial is not required to make inquiries to determine the general investment needs and objectives of the client and the suitability of a proposed purchase or sale of a security for the client;

8. Except in Nova Scotia and British Columbia, Concentra Financial is exempt from the dealer registration requirement and prospectus requirement of the Legislation for distributions of securities where the trade is made by Concentra Financial as principal or agent in shares or units of mutual funds if the shares or units are sold to a pension plan, deferred profit sharing plan, retirement savings plan or other similar capital accumulation plan maintained by the sponsor of such plan for its employees and the decision to purchase the shares or units is not made by or at the direction of those employees;

9. In Nova Scotia, Concentra Financial is exempt from the dealer registration requirement and prospectus requirement of the legislation of Nova Scotia for the following trades:

(a) a trade made in a security of a mutual fund that:

(i) is administered by Concentra Financial;

(ii) has no promoter other than Concentra Financial or its affiliates;

(iii) has no manager who is not a portfolio manager or a person or company that is exempt from the requirement to be registered in the category of portfolio manager; and

(iv) consists solely of:

(1) a pool of funds maintained by Concentra Financial in which money belonging to various estates and trusts in its care are commingled, with the authority of the settlor, testator or trustee thereof, for the purpose of facilitating investment where no general solicitations are made with a view to the sale of participations in the pooled fund, or

(2) a pool of funds maintained solely to serve retirement

savings plans, deferred profit sharing plans, retirement income funds, pension plans or other plans registered under the *Income Tax Act* (Canada), or any combination thereof; or

(b) a trade made in a security of a mutual fund that:

(i) is administered by Concentra Financial;

(ii) has no manager who is not a portfolio manager or a person or company that is exempt from the requirement to be registered in the category of portfolio manager;

(iii) consists of a pool of funds that results from and is limited to, the combination or commingling of funds of pension or other superannuation plans registered under the *Income Tax Act* (Canada); and

(iv) is established by a promoter, other than Concentra Financial, for the purpose of investment by pension or other superannuation plans registered under the *Income Tax Act* (Canada) for the employees of the promoter, persons or companies which are related to or otherwise do not deal at arms length with the promoter and their affiliates, or any of them;

10. In British Columbia, Concentra Financial is exempt from the dealer registration requirement and prospectus requirement of the legislation of British Columbia for a trade made in a security of a mutual fund that is administered by Concentra Financial but which has no promoter or manager other than Concentra Financial, and consists of

(a) a pooled fund that is maintained solely to serve registered retirement savings plans, retirement income plans, deferred profit sharing plans, pension plans or other similar plans registered under the *Income Tax Act* (Canada);

(b) a common trust fund as defined by the *Financial Institutions Act* (British Columbia); or

(c) a pooled fund that is maintained by Concentra Financial in which money, belonging to various estates and trusts in its care, is commingled, with the authority of the settlor, testator or trustee, for the purpose of facilitating investment if no general solicitations are made to sell securities in the fund;

11. The trade by Concentra Financial of evidences of deposit issued by Concentra Financial and any trade by any person or company in evidences of deposit issued by Concentra Financial shall be exempt from the dealer registration requirement and prospectus requirement of the Legislation;

12. In Newfoundland and Labrador, Subsection 26(1)(a) of the Securities Act (Newfoundland and Labrador) R.S.N 1990, c. S-13 (as amended) (the "Newfoundland and Labrador Act") does not apply to a trade by Concentra Financial:

(a) of a type described in subsections 36(1) of the Newfoundland and Labrador Act; or

(b) in securities described in subsection 36(2) of the Newfoundland and Labrador Act;

13. This Decision shall be conditional upon the Superintendent issuing the Order;

14. This Decision shall remain in effect only for so long as Concentra Financial is an association under the CCA Act and subject to the same prudential rules, policies and substantially the same regulation that apply to a Schedule I Bank that accepts deposits;

15. As relates to any particular Jurisdiction, any provision in this Decision Document providing an exemption (other than the exemption referred to in paragraph 11 above) for a trade by Concentra Financial or for a trade in securities of Concentra Financial is not available if, at the relevant time, there is not a corresponding exemption under the Legislation of the Jurisdiction for the trade if the trade were being made by a Schedule I Bank instead of Concentra Financial or if the trade were a trade in the securities of a Schedule I Bank instead of Concentra Financial;

THE FURTHER DECISION of the Decision Maker in Ontario is that Concentra Financial is not subject to section 25 of the Securities Act (Ontario) R.S.O. 1990 c. S.5 (as amended) (the "Ontario Act") for trades referred to in Ontario Securities Commission Rule 32-502 *Registration Exemption for Certain Trades by Financial Intermediaries* ("OSC Rule 32-502"), as if Concentra Financial were at the relevant time a Schedule I Bank, on the same basis that the Schedule I Bank would not be subject to section 25 of the Ontario Act under OSC Rule 32-502 if the trades were

being made by the Schedule I Bank instead of Concentra Financial. This further decision shall be conditional upon the Superintendent issuing the Order and only for so long as Concentra Financial is an association under the CCA Act and is subject to the same prudential rules, policies and substantially the same regulation that apply to a Schedule I Bank that accepts deposits.

THE FURTHER DECISION of the Decision Maker in Ontario is that Concentra Financial is recognized as an "accredited investor" under paragraph (u) of the definition of "accredited investor" in section 1.1 of Ontario Securities Commission Rule 45-501 *Exempt Distributions*. This further decision shall be conditional upon the Superintendent issuing the Order and only for so long as Concentra Financial is an association under the CCA Act and is subject to the same prudential rules, policies and substantially the same regulation that apply to a Schedule I Bank that accepts deposits.

December 22, 2004.

"Dave Wild"

2.1.17 Fidelity Investments Canada Limited - MRRS Decision

Headnote

Mutual Reliance Review system for Exemptive Relief Application – exemptive relief from the prospectus and registration requirements in connection with automatic conversion of securities of mutual funds previously sold on a deferred sales charge basis to securities sold on an initial sales charge (ISC) basis to permit investors to benefit from the lower fee schedule on ISC securities.

Applicable Ontario Statutory Provisions

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

December 23, 2004

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

AND

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

AND

IN THE MATTER OF
FIDELITY INVESTMENTS CANADA LIMITED ("FIDELITY")

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon Territory and Nunavut Territory (the "Jurisdictions") has received an application from Fidelity as manager of the mutual funds listed in Schedule "A" hereto (the "Funds") for a decision by each Decision Maker (collectively, the "Decision") under the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation (the "Applicable Legislation") shall not apply to the Funds or Fidelity in respect of the automatic conversion of securities of the Funds sold prior to January 10, 2005 on a deferred sales charge ("DSC") basis to securities sold on an initial sales change ("ISC") basis:

1. the restrictions contained in the Legislation that prohibit a company from trading in a security unless it is registered as a dealer; and

2. the restrictions contained in the Legislation that prohibit a trade in a security unless a preliminary prospectus and a prospectus have been filed and a receipt therefore obtained.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS Fidelity has represented to the Decision Makers that:

1) Fidelity is a corporation amalgamated under the laws of the Province of Ontario and having its head office in Toronto, Ontario.

2) Fidelity is the trustee, manager and principal distributor of those Funds which were established as mutual fund trusts (the "Trust Funds") and the manager and principal distributor of those Funds that are classes of shares of Fidelity Capital Structure Corp. (the "Corporate Funds").

3) Fidelity is registered as a mutual funds dealer (or the equivalent) and as an advisor in the categories of investment counsel and portfolio manager (or the equivalent) in each of the Jurisdictions. Fidelity is also registered as a commodity trading manager under the Commodity Futures Act (*Ontario*).

4) The Funds are qualified for distribution in all of the Provinces and Territories of Canada pursuant to simplified prospectuses and annual information forms dated May 28, 2004 and October 18, 2004 as amended and restated on December 3, 2004.

5) The Funds are reporting issuers in each of the Provinces and Territories of Canada where such status exists and are not in default of any requirements of the securities act or regulations in each of the Provinces and Territories of Canada.

6) The Trust Funds offer Series A, F and O securities and, in respect of some of the Trust Funds, also Series T securities. The Corporate Funds only offer Series A and Series F securities.

7) The Series A and Series T securities of the Funds are offered on a DSC and ISC basis. Under the ISC purchase option investors pay a commission to their dealer at the time they purchase securities, while under the DSC purchase option no commission is paid by the investor at the time of purchase, but investors are required to pay a redemption fee if they redeem their securities within 6 years from the date of purchase.

8) Commencing January 10, 2005 (the "Implementation Date"), Fidelity is making changes ("Changes") to the Funds. The Changes include:

   (a) a reduction in the management fees and operating expenses charged on securities sold on an ISC basis (which will be lower than those charged on securities sold on a DSC basis), and

   (b) the redesignation of DSC securities to ISC securities after investors have held them for a period of 7 years so that investors in the DSC securities will also receive the benefit of the lower fees and expenses of the ISC securities.

9) For purposes of implementing the Changes, effective from the Implementation Date:

   (a) new Series B and Series S securities will be available for purchase and will be sold only on an ISC basis;

   (b) existing Series A and Series T securities, sold on an ISC basis, will be redesignated as Series B and Series S securities, respectively;

   (c) Series A and Series T securities will only be available for purchase on a DSC basis, other than for Series A securities issued to members of employer specified group savings plans; and

   (d) the attributes of the Series A and Series T securities purchased prior to the Implementation Date will be changed by making them automatically convertible to Series B and Series S securities, respectively, of the same Funds once investors have held their investments for a period of 7 years. These conversions are referred to as "Automatic Conversions".

10) Notice of the Changes were contained in a Press Release and Material Change Report issued and filed by Fidelity on November 24, 2004 and details will be included with the December 31, 2004 Fidelity client account statements. Fidelity is consulting with dealers about the Changes in anticipation of the Implementation Date and they will be in a position to advise investors of the Changes. The Changes are also reflected in the amended and restated simplified prospectuses and annual information forms of the Funds dated December 3, 2004.

11) There will be no increase in charges to investors who continue to hold Series A and Series T securities that were purchased on a DSC basis as a result of the Changes.

12) Implementation of the Changes will have no adverse tax consequences on investors.

13) In the absence of this Decision, the Automatic Conversions are not capable of being implemented without compliance with the Applicable Legislation.

AND WHEREAS pursuant to the system this MRRS decision document evidences the Decision of each Decision Maker;

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with Jurisdiction to make the Decision has been met;

AND WHEREAS the Decision Makers are of the opinion that it would not be prejudicial to the public interest to make the Decision;

THE DECISION of the Decision Makers pursuant to the Legislation is that the Funds and Fidelity are exempt from the registration and prospectus requirements set out in the Applicable Legislation in connection with the Automatic Conversions.

"Paul Moore"
Vice Chair
Ontario Securities Commission

"David Knight"
Commissioner
Ontario Securities Commission

SCHEDULE A

FIDELITY FUNDS

Trust Funds:

Fidelity Canadian Disciplined Equity® Fund
Fidelity Canadian Growth Company Fund
Fidelity Canadian Large Cap Fund
Fidelity Canadian Opportunities Fund
Fidelity True North® Fund
Fidelity American Disciplined Equity® Fund
Fidelity RSP American Disciplined Equity® Fund
Fidelity American Opportunities Fund
Fidelity RSP American Opportunities Fund
Fidelity American Value Fund
Fidelity Growth America Fund
Fidelity RSP Growth America Fund
Fidelity Small Cap America Fund
Fidelity RSP Small Cap America Fund
Fidelity Emerging Markets Fund
Fidelity Europe Fund
Fidelity RSP Europe Fund
Fidelity Far East Fund
Fidelity RSP Far East Fund
Fidelity Global Disciplined Equity® Fund
Fidelity RSP Global Disciplined Equity® Fund
Fidelity Global Opportunities Fund
Fidelity RSP Global Opportunities Fund
Fidelity International Portfolio Fund
Fidelity RSP International Portfolio Fund
Fidelity Japan Fund
Fidelity RSP Japan Fund
Fidelity Latin America Fund
Fidelity NorthStar® Fund
Fidelity RSP NorthStar® Fund
Fidelity Overseas Fund
Fidelity RSP Overseas Fund
Fidelity Focus Consumer Industries Fund
Fidelity Focus Financial Services Fund
Fidelity RSP Focus Financial Services Fund
Fidelity Focus Health Care Fund
Fidelity RSP Focus Health Care Fund
Fidelity Focus Natural Resources Fund
Fidelity Focus Technology Fund
Fidelity RSP Focus Technology Fund
Fidelity Focus Telecommunications Fund
Fidelity RSP Focus Telecommunications Fund
Fidelity Canadian Asset Allocation Fund
Fidelity Canadian Balanced Fund
Fidelity Diversified Income & Growth Fund
Fidelity Global Asset Allocation Fund
Fidelity RSP Global Asset Allocation Fund
Fidelity Canadian Bond Fund
Fidelity Canadian Short Term Bond Fund
Fidelity Canadian Money Market Fund
Fidelity American High Yield Fund
Fidelity U.S. Money Market Fund

Corporate Funds:

Fidelity Canadian Disciplined Equity® Class
Fidelity Canadian Growth Company Class

Fidelity Canadian Opportunities Class
Fidelity True North® Class
Fidelity American Disciplined Equity® Class
Fidelity American Opportunities Class
Fidelity Growth America Class
Fidelity Small Cap America Class
Fidelity Europe Class
Fidelity Far East Class
Fidelity Global Disciplined Equity® Class
Fidelity International Portfolio Class
Fidelity Japan Class
Fidelity NorthStar® Class
Fidelity Focus Consumer Industries Class
Fidelity Focus Financial Services Class
Fidelity Focus Health Care Class
Fidelity Focus Natural Resources Class
Fidelity Focus Technology Class
Fidelity Focus Telecommunications Class
Fidelity Canadian Balanced Class
Fidelity Canadian Short Term Income Class

2.1.18 Yieldplus Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – closed-end investment trust exempt from prospectus and registration requirements in connection with issuance of units to existing unit holders pursuant to distribution reinvestment plan whereby distributions of income are reinvested in additional units of the trust, subject to certain conditions – first trade in additional units deemed a distribution unless made in compliance with MI 45-102.

Applicable Ontario Statutory Provisions

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

Multilateral Instrument Cited

Multilateral Instrument 45-102 Resale of Securities (2001), 24 OSCB 5522.

January 6, 2005

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

AND

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

AND

IN THE MATTER OF
YIELDPLUS INCOME FUND (THE "FILER")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Filer for a decision, pursuant to the securities legislation of the Jurisdictions (the "**Legislation**"), that the requirement contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a final prospectus (the "**Registration and Prospectus Requirements**") shall not apply to the distribution of units of the Filer pursuant to a distribution reinvestment plan (the "**Plan**");

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

(b) this MRRS decision document evidences that decision of each Decision Maker.

Interpretation

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

Representations

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

1. The Filer is an investment trust established under the laws of the Province of Ontario by a declaration of trust dated as of August 30, 2004.

2. The Filer is not considered to be a "mutual fund" as defined in the Legislation because the holders of Units ("**Unitholders**") are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Filer as contemplated in the definition of "mutual fund" in the Legislation.

3. The Filer became a reporting issuer or the equivalent thereof in the Jurisdictions on August 31, 2004 upon obtaining a receipt for its final prospectus dated August 30, 2004 (the "**Prospectus**"). As of the date hereof, the Filer is not in default of any requirements under the Legislation.

4. The beneficial interests in the Filer are divided into a single class of voting units ("**Units**"). The Filer is authorized to issue an unlimited number of Units. Each Unit represents a Unitholder's proportionate undivided beneficial interest in the Filer.

5. The Units are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "YP.UN". As of September 30, 2004, 21,990,000 Units were issued and outstanding.

6. The Filer currently intends to make cash distributions ("**distributions**") of distributable income to Unitholders of record on the day on which the Filer declares a distribution to be payable (each a "**Declaration Date**"), and such distributions will be payable on a day which is on or before the last business day of the month following a Declaration Date (each a "**Distribution Date**").

7. The Filer has adopted the Plan which, subject to obtaining all necessary regulatory approvals, will permit distributions to be automatically reinvested, at the election of each Unitholder, to purchase additional Units ("**Plan Units**") pursuant to the Plan and in accordance with a distribution reinvestment plan agency agreement (the "**Plan Agreement**") entered into by the Filer, Middlefield YIELDPLUS Management Limited in its capacity as manager of the Filer (in such capacity, the "**Manager**") and MFL Management Limited in its capacity as agent under the Plan (in such capacity, the "**Plan Agent**").

8. Pursuant to the terms of the Plan, a Unitholder will be able to elect to become a participant in the Plan by notifying the Manager, or by causing the Manager to be notified, in writing, of the Unitholder's decision to participate in the Plan. Participation in the Plan will not be available to Unitholders who are not residents of Canada for the purposes of the *Income Tax Act* (Canada).

9. Distributions due to participants in the Plan ("**Plan Participants**") will be paid to the Plan Agent and applied to purchase Plan Units. Plan Units purchased under the Plan will be purchased by the Plan Agent in the market or directly from the Filer in the following manner:

   (a) if the weighted average trading price of the Units on the TSX (or such other exchange or market on which the Units are then listed) for the 10 trading days immediately preceding the relevant Distribution Date (the "**Market Price**") plus estimated brokerage fees and commissions is greater than or equal to the net asset value of the Filer ("**Net Asset Value**") per Unit on the applicable Distribution Date, the Plan Agent will, after such Distribution Date, apply distributions to the purchase of Plan Units from the Filer at a price equal to the Net Asset Value per Unit as at the Distribution Date, provided that if the Net Asset Value per Unit as at the Distribution Date is less than 95% of the Market Price per Unit on the Distribution Date, then Plan Units will be purchased from the Filer at a price equal to 95% of the Market Price as at the Distribution Date;

   (b) if the Market Price plus estimated brokerage fees and commissions is less than the Net Asset Value per Unit on the Distribution Date, purchases of Plan Units will be made in the market during the 10 business days next following the relevant Distribution Date, on any business day when the Market Price plus estimated brokerage fees and commissions is less than the Net Asset Value per Unit determined as at such Distribution Date, and on the 11th business day after the Distribution Date

the unused part (if any) of the distributions paid to the Plan Agent for the benefit of Plan Participants will be applied to a purchase of Plan Units from the Filer in accordance with paragraph (a) above;

(c) the Plan Units purchased in the market or from the Filer shall be allocated by the Plan Agent on a *pro rata* basis to the Plan Participants; and

(d) any applicable brokerage fees and commissions incurred in connection with purchases of Plan Units made in the market as contemplated by paragraph (b) above shall be borne on a *pro rata* basis by and from each Plan Participant's account.

10. The Plan also allows Plan Participants to make optional cash payments ("**Optional Cash Payments**") which will be used by the Plan Agent to purchase Plan Units. A Plan Participant must invest a minimum of $100 per Optional Cash Payment. Optional Cash Payments will be used by the Plan Agent to purchase Plan Units on the same basis as distributions as described above. The aggregate number of Plan Units that may be purchased with Optional Cash Payments in a calendar year will be limited to 2% of the outstanding Units at the commencement of that calendar year, provided that for the 2004 calendar year, the number of Plan Units that may be purchased with Optional Cash Payments will be limited to 2% of the outstanding Units immediately following the closing of the initial public offering of Units pursuant to the Prospectus (including any Units outstanding following the closing of the exercise of the over-allotment option granted to the agents under the initial public offering). The Plan Agent may limit the maximum amount of Optional Cash Payments in any calendar year to ensure that the 2% limit is not exceeded.

11. Optional Cash Payments, along with a Plan Participant's notice of his or her intention to make an Optional Cash Payment, must be received by the Plan Agent on or before 5:00 p.m. (Toronto time) on the day which is at least five business days prior to a Distribution Date, in order to be invested in Plan Units immediately following such Distribution Date. Optional Cash Payments and/or notices received less than five business days prior to a Distribution Date will result in the Plan Agent holding (without interest) the Optional Cash Payment and using the same to purchase Plan Units after the second Distribution Date following the date of receipt of the Optional Cash Payment.

12. The Plan Agent will purchase Plan Units only in accordance with mechanics described in the Plan and Plan Agreement and, accordingly, there is no opportunity for a Plan Participant or the Plan Agent to speculate on Net Asset Value per Unit.

13. The Plan is open for participation by all Unitholders (other than non-residents of Canada), so that such Unitholders can ensure protection against potential dilution, albeit insignificant, by electing to participate in the Plan.

14. The Filer will invest in securities with the objectives of: (a) paying monthly distributions to Unitholders; (b) returning to Unitholders upon the termination of the Filer at least the original subscription price of the Units; and (c) enhancing long-term total return through capital appreciation of the Filer's investment portfolio. In addition, the Net Asset Value per Unit should be less volatile than that of a typical equity fund based on historical data. As a result, the potential for significant changes in the Net Asset Value per Unit over short periods of time is moderate.

15. The amount of distributions that may be reinvested in the Plan Units issued from treasury is small relative to the Unitholders' equity in the Filer. The potential for dilution arising from the issuance of Plan Units by the Filer is not significant.

16. Plan Units purchased under the Plan will be registered in the name of the Plan Agent, as agent for the Plan Participants.

17. A Plan Participant may terminate his or her participation in the Plan by providing, or by causing to be provided, at least ten business days' prior written notice to the Manager and, such notice, if actually received no later than ten business days prior to the next Declaration Date, will have effect beginning with the distribution to be made with respect to such Declaration Date. Thereafter, distributions payable to such Unitholder will be in cash.

18. The Manager reserves the right to suspend or terminate the Plan at any time in its sole discretion, in which case Plan Participants and the Plan Agent will be sent written notice thereof. In particular, the Manager may, on behalf of the Filer, terminate the Plan in its sole discretion, upon not less than 30 days' prior written notice to the Plan Participants and the Plan Agent.

19. The Manager may amend or modify the Plan at any time in its sole discretion, provided that it obtains the prior approval of the TSX (if Units are then listed thereon) and provided further that if, in the Manager's reasonable opinion: (i) the amendment or notification is material to Plan Participants, then at least 30 days' prior written notice thereof is given to Plan Participants and the Plan Agent; or (ii) the amendment or modification is not material to Plan Participants, then notice

thereof may be given to Plan Participants and the Plan Agent after effecting the amendment or modification. The Manager may also, in consultation with the Plan Agent, adopt additional rules and regulations to facilitate the administration of the Plan.

20. The distribution of the Plan Units by the Filer pursuant to the Plan cannot be made in reliance on certain registration and prospectus exemptions contained in the Legislation of certain Jurisdictions as the Plan involves the reinvestment of distributable income distributed by the Filer and not the reinvestment of dividends or interest of the Filer.

21. The distribution of the Plan Units by the Filer pursuant to the Plan cannot be made in reliance on registration and prospectus exemptions contained in the Legislation for distribution reinvestment plans of mutual funds, as the Filer is not considered to be a "mutual fund" as defined in the Legislation because the Unitholders are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in a portion of the net assets of the Filer.

Decision

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

The decision of the Decision Makers under the Legislation is that, except in Alberta, New Brunswick, and Saskatchewan, the trades of Plan Units to the Plan Participants pursuant to the Plan shall not be subject to the Registration and Prospectus Requirements of the Legislation provided that:

(a) at the time of the trade the Filer is a reporting issuer or the equivalent under the Legislation and is not in default of any requirements of the Legislation;

(b) no sales charge is payable in respect of the distributions of Plan Units from treasury;

(c) the Filer has caused to be sent to the person or company to whom the Plan Units are traded, not more than 12 months before the trade, a statement describing:

(i) their right to withdraw from the Plan and to make an election to receive cash instead of Plan Units on the making of a distribution by the Filer; and

(ii) instructions on how to exercise the right referred to in (i);

(d) in the calendar year during which the trade takes place, the aggregate number of Plan Units issued pursuant to the Optional Cash Payments shall not exceed 2% of the aggregate number of Units outstanding at the commencement of that calendar year (or for the 2004 calendar year, outstanding at the closing of the Filer's initial public offering of Units pursuant to the Prospectus including any Units outstanding following the closing of the exercise of the over-allotment option granted to the agents under the initial public offering);

(e) except in Québec, the first trade or resale of Plan Units acquired pursuant to the Plan in a Jurisdiction shall be deemed a distribution or primary distribution to the public under the Legislation unless the conditions of paragraphs 2 through 5 of subsection 2.6(3) of Multilateral Instrument 45-102 are satisfied; and

(f) in Québec, the first trade (alienation) of Plan Units acquired pursuant to the Plan in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public unless:

(i) at the time of the first trade, the Filer is a reporting issuer in Québec and is not in default of any of the requirements of securities legislation in Québec;

(ii) no unusual effort is made to prepare the market or to create a demand for the Plan Units;

(iii) no extraordinary commission or consideration is paid to a person or company other than the vendor of the Plan Units in respect of the first trade; and

(iv) the vendor of the Plan Units, if in a special relationship with the Filer, has no reasonable grounds to believe that the Filer is in default of any requirement of the Legislation of Québec;

"Paul Moore"
Vice-Chair
Ontario Securities Commission

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

2.1.19 West Fraser Timber Co. Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the requirement to file certain financial statements with a business acquisition report provided that the business acquisition report will include, or incorporate by reference, the financial statements pertaining to the acquired business that were included in two recent final prospectuses.

Ontario Statutes Cited

National Instrument 51-102 – Continuous Disclosure Obligations, Part 8.
National Instrument 44-101 – Short Form Prospectus Distributions.

December 29, 2004

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

AND

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

AND

IN THE MATTER OF
WEST FRASER TIMBER CO. LTD. (THE FILER)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for

(a) a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the requirement that certain financial statements prescribed by Section 8.4 of National Instrument 51-102 Continuous Disclosure obligations (NI 51-102) be filed with the business acquisition report to be prepared by the Filer in connection with the Filer's acquisition of Weldwood of Canada Limited (Weldwood) and

(b) in Quebec, for a revision of the general order that will provide the same result as an exemption order.

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) Alberta is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

In this decision,

(a) *Acquisition* means the purchase by the Filer of the only issued and outstanding share of Weldwood of Canada Limited for a purchase price of approximately CDN$1.26 billion,

(b) *Equity Offering* means the offering of 5,852,000 subscription receipts for a total gross proceeds of CDN$275,044,000,

(c) *Debt Offering* means the offering of CDN$150,000,000 principal amount of 4.94% senior unsecured debentures, and

(d) *NI 44-101* means National Instrument 44-101 - Short Form Prospectus Distributions.

Representations

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

1. The Filer was amalgamated under the *Company Act* (British Columbia).

2. The Filer's head office is located at Suite 1000, 1100 Melville Street, Vancouver, British Columbia, V6E 4A6.

3. The Filer is a reporting issuer, or the equivalent, in each of the Jurisdictions and, to the best of its knowledge, is currently not in default of any applicable requirements under the securities legislation thereunder.

4. On July 21, 2004 International Paper Company and the Filer signed an acquisition agreement which provided for the Acquisition.

5. On July 30, 2004, the Filer filed a preliminary short form prospectus in all provinces in connection with the Equity Offering.

6. On August 12, 2004, the Filer filed its final prospectus in connection with the Equity Offering.

7. On August 24, 2004, the Filer closed the Equity Offering.

8. On October 5, 2004, the Filer filed a preliminary prospectus in all provinces in connection with the Debt Offering.

9. On October 12, 2004, the Filer filed its final prospectus in connection with the Debt Offering.

10. On October 19, 2004, the Filer closed the Debt Offering.

11. Proceeds from the Equity Offering and the Debt Offering are intended to partially satisfy the purchase price for the Acquisition.

12. The Acquisition is expected to close late in the fourth quarter of 2004.

13. NI 44-101 sets out the financial statements required to be included or incorporated by reference in a short form prospectus, including financial statements relating to "significant acquisitions".

14. Pursuant to NI 44-101, the above prospectuses included financial statements pertaining to Weldwood and the required pro forma financial statements relating to the Acquisition. In addition the prospectus incorporated by reference the following financial statements:

    (a) the audited comparative consolidated financial statements of the Filer for the years ended December 31, 2003 and 2002, together with notes thereto and the auditor's report thereon;

    (b) the unaudited consolidated financial statements of the Filer for the six-month periods ended June 30, 2004 and 2003.

15. The prospectus filed for the Debt Offering included the following:

    (a) the unaudited *pro forma* condensed consolidated balance sheet of the Filer as at June 30, 2004;

    (b) the unaudited *pro forma* condensed consolidated statement of earnings of the Filer for the six-month period ended June 30, 2004;

    (c) the unaudited *pro forma* condensed consolidated statement of earnings of the Filer for the year ended December 31, 2003;

    (d) the compilation report on the unaudited *pro forma* condensed consolidated financial statements of the Filer;

    (items (a) through (d) are collectively the Prospectus Pro Forma Statements), and

    (e) the audited financial statements of Weldwood for the years ended December 31, 2003 and 2002;

    (f) the unaudited financial statements of Weldwood for the six-month periods ended June 30, 2004 and 2003; and

    (g) the review and engagement report on the unaudited financial statements for the six-month periods ended June 30, 2004 and 2003

    (items (e) through (g) are collectively the Prospectus Weldwood Statements);

16. The Acquisition constitutes a "significant acquisition" for the Filer for the purposes of NI 51-102, and the Filer will be required to file a business acquisition report within 75 days after the closing of the Acquisition pursuant to Sections 8.2 and 8.5(1)2 of NI 51-102.

17. Pursuant to Section 8.4 of NI 51-102, the business acquisition report must be accompanied by certain financial statements, including:

    (a) the audited financial statements of the Filer for the years ended December 31, 2003 and 2002, together with notes thereto and the auditor's report thereon;

    (b) the unaudited financial statements of the Filer for the nine-month periods ended September 30, 2004 and 2003;

    as well as:

    (c) the unaudited *pro forma* balance sheet of the Filer as at September 30, 2004;

    (d) the unaudited *pro forma* income statement of the Filer for the nine-month period ended September 30, 2004;

    (e) the unaudited *pro forma* income statement of the Filer for the year ended December 31, 2003;

    (f) the compilation report on the unaudited *pro forma* financial statements of the Filer;

    (g) the audited financial statements of Weldwood for the years ended December 31, 2003 and 2002;

    (h) the unaudited financial statements of Weldwood for the nine-month periods ended September 30, 2004 and 2003; and

(i) the review and engagement report on the unaudited financial statements for the nine-month periods ended September 30, 2004 and 2003.

(items (c) through (i) are collectively called the BAR Financial Statements).

18. Although compliance with the financial statement requirements in NI 44-101 does not necessarily satisfy the financial statement requirements in Section 8.4 of NI 51-102, updated pro forma or Weldwood financial statements would not be materially different from the Prospectus Pro Forma Statements and the Prospectus Weldwood Statements currently available.

19. Weldwood is a private company and separate financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles are not prepared for its operations as a matter of course.

20. The Prospectus Pro Forma Statements and the Prospectus Weldwood Statements have been included in two publicly available prospectuses over the last several months (the pro forma statements included in the prospectus for the Debt Offering were slightly different from those included with the prospectus for the Equity Offering).

Decision

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

The decision of the Decision Makers under the Legislation is that an exemption from the requirement to file the BAR Financial Statements with the Filer's business acquisition report to be filed in connection with the Acquisition is granted so long as:

1. the Filer files, with its business acquisition report, the Prospectus Pro Forma Statements and the Prospectus Weldwood Statements; and

2. the Acquisition is completed on or before December 31, 2004.

"Mavis Legg, CA"
Manager, Securities Analysis
Alberta Securities Commission

2.1.20 Silk Road Resources Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the maximum length of transition year in the requirement for a change in year end – Condition of relief that the Filer must file year end financial statements as if the Filer had a 15-month transition year – Filer did not have material financial operations since its most recent financial year end.

Rules Cited

National Instrument 51-102 – Continuous Disclosure Obligations, Part 4.

December 22, 2004

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, ONTARIO AND NOVA SCOTIA (THE "JURISDICTIONS")

AND

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

AND

IN THE MATTER OF
SILK ROAD RESOURCES LTD.
(THE "FILER")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") for relief from the requirement that the transition year arising from a notice of change in year end shall not exceed 15 months.

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

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

(b) this MRRS decision document evidences the decision of each Decision Maker

Interpretation

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

Representations

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

1. The Filer was originally incorporated under the name Pargas Enterprises Ltd. pursuant to the *Business Corporations Act* (Alberta) in 1999 and was continued under the *Canada Business Corporations Act* in 2003.

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

3. The authorized capital of the Filer consists of an unlimited number of common shares ("Common Shares") without nominal or par value and an unlimited number of first, second and third preferred shares issuable in series. As of the date hereof, 18,835,000 Common Shares are issued and outstanding. There are no preferred shares issued and outstanding.

4. The Filer completed an initial public offering of its Common Shares as a junior capital pool company on August 13, 1999 and commenced trading on the TSX Venture Exchange (the "Exchange") on September 13, 1999. In August 2000, the Filer completed its "qualifying transaction" under the rules of the Exchange.

5. On February 12, 2004, the Filer filed a prospectus (the "Prospectus") qualifying the distribution of 10,500,000 Common Shares, 1,500,000 series "A" common share purchase warrants and 4,500,000 series "B" common share purchase warrants.

6. Prior to the filing of the Prospectus, the Filer was a reporting issuer in the Province of Alberta. As a result of the filing of the Prospectus, the Filer became a reporting issuer or its equivalent in each of the Jurisdictions.

7. The Filer is a "venture issuer" as defined in National Instrument 51-102, *Continuous Disclosure Obligations*. The Common Shares of the Filer are presently listed and posted for trading on the Exchange and trade under the symbol "SIL".

8. The Filer is primarily engaged in the exploration and development of mineral resource properties in the People's Republic of China.

9. On February 5, 2004, Pargas Enterprises Ltd. (BVI) ("Pargas BVI"), a wholly-owned subsidiary of the Filer, entered into a Chinese-foreign cooperative joint venture contract (the "Joint Venture Agreement") with the Gansu Qinqi Minerals Company Limited ("Qinqi") relating to the establishment and operations of the Gansu Pargas Minerals Exploration Company Limited ("Pargas Gansu" or the "Joint Venture"), a newly-created subsidiary entity owned by Pargas BVI and Qinqi.

10. The final registration of Pargas Gansu will take effect upon the issuance by the Chinese government of a business license for the operations of the Joint Venture. The Filer expects that this business operations license will be granted to the Joint Venture in early calendar year 2005. Until such issuance, the Filer effectively has no operations.

11. The Filer's interest in the Joint Venture is the Filer's primary economic asset and the principal focus of the Filer's exploration and development activities.

12. The financial year end of Pargas Gansu is December 31. Under the laws of the People's Republic of China, all joint venture companies are required to have a December 31 financial year end. The Company's Chinese competitors and other reporting issuers with similar operations report their financial results on the basis of a December 31 year end.

13. The current financial year end of the Filer is August 31.

14. The proposed transition year is the 16 month period ending December 31, 2005.

15. As the Filer's primary economic asset, the Joint Venture, is required by the laws of the People's Republic of China to provide financial reporting on the basis of a December 31 year end, the change in financial year end of the Company from August 31 to December 31 will provide for greater administrative cost efficiency and will conform with standard industry practice for comparable mineral exploration companies.

16. The change in year end will permit the Filer to conduct its internal financial accounting and engage external auditors at the same time as such practices are being undertaken on behalf of the Joint Venture.

17. The Filer's management believe that it is relevant for the Filer to report on the same basis as other participants involved in mineral exploration and development in the People's Republic of China.

18. As the Joint Venture has not yet been issued its business operations license, there has not been any material financial operations or changes for the Filer since August 31, 2004 and accordingly, shareholders would derive little if any material benefit from audited statements produced over this four month period.

19. The Filer is not in default of the Legislation in Ontario or in any of the other Jurisdictions.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted and the filer shall be permitted to change its financial year end from August 31 to December 31 provided that the Filer shall prepare and file annual financial statements in respect of its transition year no later than March 31, 2006 and will include the annual financial statements of its old financial year as comparatives to those for its transition year.

"John Hughes"
Manager, Corporate Finance
Ontario Securities Commission

2.1.21 Alcan Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the requirements to provide in an information circular disclosure regarding (a) executive compensation, (b) indebtedness of directors and executive officers and (c) securities authorized for issuance under equity compensation plans – Disclosure not relevant to decision whether to approve arrangement – Relief from requirement to prepare in accordance with Canadian generally accepted accounting principles the financial statements to be included in an information circular – Filer is "SEC Issuer" otherwise in compliance with NI 52-107.

Rules, Instruments and Notices Cited

Canadian Securities Administrators Notice 42-303, Prospectus Requirements.
National Instrument 44-101, Short Form Prospectus Distributions, s. 7.1.
National Instrument 51-102, Continuous Disclosure Obligations, Part 9 and s. 13.1, and Form 51-102F5, Information Circular, items 8, 9 and 10.
National Instrument 52-107, Acceptable Accounting Principles, Auditing Standards and Reporting Currency, s. 4.1.

November 23, 2004

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

AND

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

AND

**IN THE MATTER OF
ALCAN INC. (ALCAN OR THE FILER)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) and in Québec by a revision of the general order that will provide the same result as an exemption order (the Requested Relief) for:

- an exemption from the proxy circular disclosure requirements with respect to executive compensation, securities authorized for issuance under equity compensation plans and indebtedness of directors and officers (the Required Disclosure);

- an exemption from the requirement to incorporate by reference in a proxy circular, interim financial statements prepared in accordance with Canadian generally accepted accounting principles (GAAP) provided that such financial statements are presented in U.S. GAAP and comply with the Legislation.

Under the Mutual Reliance Review System for Executive Relief Applications

(a) the Agence nationale d'encadrement du secteur financier (also known as Autorité des marchés financiers) is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. The predecessor corporation to what is today Alcan was incorporated on June 3, 1902. Alcan is governed by the *Canada Business Corporations Act* (the CBCA). Its registered address and principal place of business is located at 1188 Sherbrooke Street West, Montreal, Quebec H3A 3G2.

2. The authorized and issued share capital of Alcan consists of common shares (the Alcan Common Shares), Series C Preference Shares and Series E Preference Shares (the Alcan Preference Shares). As of October 26, 2004, there were 369,023,618 Alcan Common Shares, 5,700,000 Series C Preference Shares and 3,000,000 Series E Preference Shares issued and outstanding.

3. Alcan is a reporting issuer (or the equivalent thereof) in the Jurisdictions and is not on the list of reporting issuers in default in any of the Jurisdictions in which such a list exists.

4. The Alcan Common Shares are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange, and the London, Swiss and Euronext Paris stock exchanges under the stock symbol "AL".

5. Alcan is currently contemplating effecting a reorganization of its capital for the purpose of ultimately distributing to the holders of the Alcan Common Shares through a series of reorganization steps and transactions under a court-sanctioned plan of arrangement (the Plan of Arrangement), its rolled products businesses (the Arrangement).

6. The Arrangement is subject to a number of conditions, including the approval of the shareholders of Alcan. Alcan intends to call a special meeting (the Special Meeting) to consider a special resolution approving the Plan of Arrangement in accordance with the Plan of Arrangement.

7. Subject to the confirmation of the Quebec Superior Court, it is intended that the Arrangement will need to be approved by not less than two-thirds of the votes cast by the holders of the Alcan Common Shares and the Alcan Preference Shares (together, the Shareholders), voting as a single class, present in person or represented by proxy at the Special Meeting.

8. The management proxy circular of Alcan (the Circular) in connection with the Special Meeting will be mailed to the Shareholders in November 2004.

9. In March 2004, Alcan filed and mailed to the holders of Alcan Common Shares a proxy circular (the Annual Meeting Circular) dated March 3, 2004 in connection with its annual meeting of shareholders, which was held on April 22, 2004 (the Annual Meeting). The Annual Meeting Circular will be incorporated by reference in the Circular.

10. The disclosure regarding executive compensation and indebtedness of directors and officers was provided to the holders of the Common Shares of Alcan in the Annual Meeting Circular, and there has been no material change to such disclosure.

11. The disclosure regarding securities authorized for issuance under equity compensation plans required under item 9 of Form 51-102F5 of National Instrument 51-102 *Continuous Disclosure Obligations* was not required for the Annual Meeting Circular. However, substantially similar information for the year ended December 31, 2003 is available in the financial statements incorporated by reference in the Circular. The required disclosure will be made, following the implementation of the Arrangement, in the management proxy circular for the 2005 annual meeting of shareholders.

12. The Legislation requires that, subject to the relief referred to herein being granted, the Circular include the Required Disclosure.

13. The Required Disclosure is not relevant to a shareholder's decision whether or not to vote in favour of the Arrangement because the matters to be determined at the Special Meeting do not relate to the election of directors or an action to be taken with respect to the compensation of the directors, officers or employees of Alcan.

14. The Legislation states that the financial statements of a person or company that are included in a short form prospectus must be prepared in accordance with Canadian GAAP.

15. Alcan is a Securities and Exchange Commission issuer as defined in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107). As such, it currently complies with NI 52-107 and will continue to comply with same following the effective date of the Arrangement.

Decision

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

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

"Jean St-Gelais"
Président-directeur général

2.1.22 Growthworks Commercialization Fund Ltd. - MRRS Decision

Headnote

Exemption from section 2.1 of National Instrument 81-105 Mutual Fund Sales Practices granted to labour sponsored investment fund corporation to permit it to pay certain specified distribution costs out of fund assets.

Rules Cited

National Instrument 81-105 Mutual Fund Sales Practices.

December 30, 2004

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, ONTARIO AND SASKATCHEWAN (THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
GROWTHWORKS COMMERCIALIZATION FUND LTD. (THE "FILER")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for a decision pursuant to Section 9.1 of National Instrument 81-105 *Mutual Funds Sales Practices* (NI 81-105), that the prohibition in section 2.1 of NI 81-105 against the making of certain payments by the Filer to participating dealers, shall not apply to the Filer.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions and National Instrument 81-105 Mutual Funds have the same meaning in this decision unless they are defined in this decision.

Representations

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

1. The Filer is a corporation incorporated under the Canada Business Corporations Act by articles of incorporation dated May 13, 2004.

2. The Filer is registered as a labour-sponsored investment fund corporation under the *Community Small Business Investment Funds Act* (Ontario) (the Ontario LSIF Act) and intends to apply to be registered as a labour-sponsored venture capital corporation under the *Income Tax Act* (Canada) (the Income Tax Act) and to be an approved fund under the *Labour-sponsored Venture Capital Corporations Act* (Saskatchewan) (the Saskatchewan LSIF Act).

3. The Filer has given notice to the Ministry of Finance (Ontario) of its intention to issue shares as a research oriented investment fund (a ROIF) in 2005. As such, it is anticipated that the Filer will primarily invest in early stage research oriented companies in Canada.

4. The Filer will invest in small and medium sized Canadian businesses with the objective of achieving long term capital appreciation.

5. The Filer is a mutual fund pursuant to the Legislation. The Filer will distribute its Class A shares (the Class A Shares) in the Jurisdictions under a prospectus.

6. The Filer will become a reporting issuer or equivalent in the Jurisdictions when its final prospectus is receipted in the Jurisdictions.

7. At the time of filing the final prospectus, the authorized capital of the Filer will consist of an unlimited number of Class A shares issuable in series, 1,000 Class B shares and an unlimited number of Class C shares (the IPA Shares), of which all of the Class B shares are held by the sponsor of the Filer and all of the Class C shares designated IPA Shares will be held by the Manager of the Filer.

8. The Filer's securities are not listed on any exchange.

9. The Canadian Federation of Labour, the sponsor of the Filer, formed and organized the Filer.

10. It is proposed that the following distribution costs (the Distribution Costs) on Class A Shares be paid as follows:

    (a) the Manager will pay to registered dealers a sales commission of 6% of the purchase price per Class A Share purchased;

    (b) the Filer will pay to registered dealers a quarterly service fee of 0.5% per annum of the average net asset value of the Class A Shares held by the clients of the dealers (the Service Fee);

    (c) the Filer will reimburse co-operative marketing expenses (the Co-op Expenses) incurred by certain dealers in promoting sales of the Class A Shares, pursuant to co-operative marketing arrangements entered into with such dealers from time to time.

11. As other labour sponsored investment funds have been granted this relief, requiring alternative arrangements to pay the Service Fee and the Co-op Expenses would put the Filer at a permanent and serious competitive disadvantage with its competitors.

12. An alternative commission arrangement is not practical, since it would reduce the net amount invested and thereby affect the tax credit being received by an investor. This would defeat one of the key features of the LSIF investment vehicle.

13. The prospectus of the Filer will disclose the payment by the Filer or the Manager of the Distribution Costs.

14. The Filer undertakes to comply with all other provisions of NI 81-105. In particular, the Filer undertakes that all Distribution Costs paid by it will be compensation permitted to be paid to participating dealers under NI 81-105.

Decision

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

The decision of the Decision Makers under section 9.1 of NI 81-105 is that the Filer shall be exempt from the prohibition in section 2.1 of NI 81-105 in order to permit the Filer to pay the Service Fee and the Co-op Expenses provided that:

    (a) the Service Fee and the Co-op Expenses are otherwise permitted by, and paid in accordance with NI 81-105;

    (b) the Filer will in its Financial Statements expense the Service Fee and Co-Op Expenses in the fiscal period when incurred, unless any securities laws applicable to the Filer from time to time specifically require treatments other than as described;

    (c) the summary section of the prospectus of the Filer (the Summary Section) has full, true and plain disclosure explaining to investors that they indirectly support the payment of the sales commission as the Manager pays

the sales commissions when a purchaser purchases his or her Class A Shares but the Manager is compensated by the Filer for the payment of sales commissions (and the provision of various other services) through the fees paid in respect of general and investment management services, funding services, marketing dealer support and ancillary services described in the Summary Section. The Summary Section must be placed within the first 10 pages of the prospectus;

(d) the Filer shall include in the Summary Section a summary table of fees and expenses payable by the Filer in the following format:

Summary of Fees, Charges and Other Expenses Payable by the Fund

Type and Amount of Fee	**Description**

(e) the summary table shall also include the annual management expense ratio of the Filer for each of the last five completed financial years of the Filer with a brief description of the method of calculating the management expense ratio and the annual returns of the Filer for each of the last five completed financial years of the Filer; and

(f) this exemption shall cease to be operative with respect to each Decision Maker on the date that a rule or regulation replacing or amending section 2.1 of NI 81-105 comes into force.

"Paul M. Moore"
Vice Chair
Ontario Securities Commission

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

2.1.23 Nexxlink Technologies Inc. - MRRS Decision

Headnote

Mutual reliance review system - take-over bid – non-competition agreement to be entered into between offeror and a company wholly-owned by a selling security holder who is the executive chairman of offeree – payments to selling security holder under non-competition agreement less than those payable under agreement with offeree – agreements negotiated at arm's length and on commercially reasonable terms –decision that the agreement is being entered into for reasons other than to increase the value of the consideration paid to the selling security holder for his shares and that the non-competition agreement may be entered into despite the prohibition against collateral benefits.

Statute cited

Securities Act R.S.O. 1990, c. S.5, as amended, ss. 97(2) and 104(2)(a).

December 16, 2004

IN THE MATTER OF
THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NOVA SCOTIA, AND NEWFOUNDLAND AND LABRADOR

AND

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

AND

IN THE MATTER OF
BELL CANADA
AND
NEXXLINK TECHNOLOGIES INC.

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker" or collectively, the "Decision Makers") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from Nexxlink Technologies Inc. and Bell Canada (collectively the "Filers"), for a decision pursuant to securities legislation of the Jurisdictions (the "Legislation"), in connection with a proposed take-over bid to be made by Bell Canada to acquire all of the issued and outstanding common shares of Nexxlink Technologies Inc., that the entering into by Karol Brassard, Gestion Rolco Inc. and Capital Rolco Inc. of the Non-Competition Agreement (as defined hereinafter), including the payment of a non-competition indemnity, and the determination of the Indexation (as defined hereinafter) under the Services Agreement (as defined hereinafter), are made for reasons other than to increase the value of the consideration paid to them for their Securities (as defined hereinafter), and that the Non-Competition Agreement (as defined hereinafter) may be entered into and the Indexation under the Services Agreement may be determined (as hereinafter set forth) despite the Legislation (the "Requested Relief").

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

(a) the *Agence nationale d'encadrement du secteur financier* is the principal regulator for this application; and

(b) this MMRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. Bell Canada is a corporation existing under the laws of Canada and is a reporting issuer or its equivalent in each Jurisdiction.

2. Bell Canada or its subsidiary (collectively, "Bell Canada") is contemplating making an offer for all the issued and outstanding common shares in the share capital of Nexxlink (as defined hereinafter), on a fully-diluted basis, for a cash consideration of $6.05 per share (the "Offer").

3. Nexxlink Technologies Inc. ("Nexxlink") is a corporation existing under the laws of Canada and is a reporting issuer in Québec and Ontario. Nexxlink's common shares (the "Common Shares") are listed and posted for trading on the Toronto Stock Exchange under the symbol "NTI".

4. The authorized capital of Nexxlink consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares, issuable in series.

5. As at November 17, 2004, there were 10,172,182 Common Shares issued and outstanding and 875,500 options to purchase Common Shares (the "Stock Options") (the Common Shares and the Stock Options are hereinafter referred to as the "Securities").

6. CGI Group Inc. ("CGI") is a shareholder of Nexxlink holding directly or indirectly 3,446,076 Common Shares representing approximately 34%

of the Common Shares of Nexxlink currently issued and outstanding.

7. As at May 31, 2004, BCE Inc., a related party to Bell Canada, exercised control or direction, directly and indirectly, over 128,296,525 Class A subordinate shares representing approximately 28.89% of the total equity of CGI.

8. Mr. Karol Brassard ("Brassard") is the Executive Chairman of the Board of Directors Nexxlink. From February 28, 1999 to June 13, 2002, Brassard was the Chairman of the Board of Directors and the Chief Executive Officer of Nexxlink. Since June 2002, Mr. Robert Courteau has held the office of President and Chief Executive Officer of Nexxlink.

9. Brassard is generally regarded as being the founder of Nexxlink and remains key to its success and outlook. Under Brassard's stewardship, Nexxlink's sales increased from approximately $62,660,000 to $100,300,000, total assets increased from approximately $22,411,000 to $75,644,000, and operating income (EBITDA) increased from approximately $1,420,000 to $6,483,000, over the three year period ended July 31, 2004.

10. Brassard currently holds, or exercises control or direction over, directly or indirectly, 829,635 Common Shares and 250,000 Stock Options representing, in the aggregate, approximately 9.8% of the Common Shares of Nexxlink currently issued and outstanding (on a fully-diluted basis). Brassard holds 765,000 of such Common Shares through Capital Rolco Inc. ("Capital Rolco").

11. Brassard is the beneficial owner of all the issued and outstanding shares in the share capital of Gestion Rolco Inc. ("Rolco") and Capital Rolco.

12. Nexxlink and Rolco are parties to that certain services agreement effective October 21, 2003 (the "Services Agreement"). As provided in the Services Agreement, Brassard, through Rolco, acts as Executive Chairman of the Board of Directors of Nexxlink and assumes strategic advisory duties with Nexxlink. The amount of time spent by Rolco in providing its services varies as such services are not provided on a regular and continuous basis and the amount of time so spent by Rolco depends on the tasks at hand at a given time including punctual and specific requests from Nexxlink from time to time. While strategic planning during annual review by the Board of Directors of Nexxlink may require Rolco to provide its services on a full time basis for a given time, other matters may require such service to be provided on a sporadic basis. Rolco's advice is regularly sought by the Board of Directors and management of Nexxlink to review the businesses of Nexxlink, uncovered markets, investor relations type duties and other strategic matters as well as attendance at quarterly meetings of the Board of Directors of Nexxlink when required.

13. Capital Rolco is indebted to Nexxlink in the amount of $225,000 (the "Rolco Loan"). The Rolco Loan is payable upon demand and does not bear interest. The Rolco Loan is to be repaid by October 21, 2006, and Nexxlink will be entitled to set-off repayment of the Rolco Loan against any payment due to Rolco (as hereinafter described and notwithstanding the fact that the loan is to be repaid by Capital Rolco).

14. Pursuant to the Services Agreement, Rolco was entitled to receive, as of August 2004, a basic fee in the amount $333,125 per annum (the "Basic Fee"). The Services Agreement also provides that Rolco is entitled to performance fees representing 50% to 75% of the Basic Fee based on objectives defined with the Board of Directors of Nexxlink and to additional performance fees awarded at the discretion of the Board of Directors of Nexxlink (collectively, the "Performance Fee"), and to the reimbursement of certain administrative fees established at 15% of the Basic Fee incurred in the performance of its duties (the "Administration Fee", together with the Basic Fee and the Performance Fee, the "Aggregate Fees"). The Aggregate Fees paid to Rolco are reviewable annually by the Board of Directors of Nexxlink.

15. For the fiscal year ended July 31, 2004, Rolco received a Performance Fee in the amount of $122,687. The Performance Fee for such year was set at 50% of the Basic Fee for such year by the Board of Directors of Nexxlink in accordance with the Services Agreement. The Basic Fee for the fiscal year ended July 31, 2004, was $325,000. The Performance Fee, on an annualized basis, for the 12-month period ended July 31, 2004 would have been $162,500.

16. The Services Agreement was executed for a three-year term and, pursuant to its terms, will be automatically renewed for additional successive three-year periods, unless otherwise notified to the contrary by either party thereto. The current term expires on October 21, 2006.

17. The Services Agreement may at all times be terminated by Nexxlink without notice or further compensation for any major breach of the provisions thereof. The Services Agreement also provides for the payment of compensation to Rolco upon the occurrence of certain events, such as (a) the early termination of the Services Agreement by Nexxlink without cause, (b) a change of control of Nexxlink, (c) the non-renewal of the Services Agreement, (d) Nexxlink unilaterally amending the mandate of Rolco or (e) Nexxlink having materially diminished Rolco's ability to perform under the Services Agreement.

Upon the occurrence of any one of such events, Rolco is entitled to receive a payment equal to two and one half times the amount of the Basic Fee and the Administration Fee assuming the occurrence of any one of such events on or prior to October 21, 2005 (two times the amount of the Basic Fee and the Administration Fee if any one of such events were to occur after October 21, 2005 but on or prior to October 21, 2006).

18. The Services Agreement also contains non-competition provisions effective throughout the term of the Services Agreement and for a period of one year following its termination. However, the Services Agreement expressly provides that notwithstanding the provisions thereof, non-competition restrictions will not apply to Rolco should the Services Agreement be terminated prior to the expiry of its term or should it not be renewed. Under the Services Agreement, Nexxlink may also, in its entire discretion, impose a non-competition period of more than twelve months in consideration for the payment of an amount that is no less than the Aggregate Fees paid to Rolco the previous year.

19. The Services Agreement was approved (with Brassard abstaining from voting) by Nexxlink's Compensation Committee on September 24, 2003. Further annual determinations required under the Services Agreement pertaining more particularly to the Indexation (as defined hereinafter) of the Basic Fee and the fixing of the Performance Fee were approved by Nexxlink's Compensation Committee for the current year. At such time Nexxlink's Compensation Committee also approved the acceleration of the Performance Fee in the event of a change of control. The Compensation Committee is (and was at all relevant times) comprised of four directors three of whom are independent. Following several meetings of Nexxlink's Compensation Committee, the Services Agreement was formally amended on October 14, 2004, effective August 1, 2004.

20. As of November 17, 2004, a non-binding letter of intent was entered into among Bell Canada and Nexxlink regarding the potential acquisition by Bell Canada of all of the issued and outstanding Common Shares in the share capital of Nexxlink.

21. It is currently envisaged that the Offer would be made pursuant to the insider bid requirements of applicable securities laws and that an independent valuation would be prepared in accordance with the requirements of Policy Statement Q-27 of the *Autorité des marchés financiers* and Rule 61-501 of the Ontario Securities Commission.

22. In connection with the Offer, Bell Canada proposes to enter into a "soft" lock-up agreements with Capital Rolco, Brassard and certain members of his family (collectively, the "Brassard Group"), and CGI, pursuant to which they will agree to tender and vote all of their Securities in favour of the Offer.

23. Bell Canada's acquisition proposal is subject, among others, to (a) the abandonment, waiver or renunciation by Rolco of various entitlements and rights under the Services Agreement (including, but not limited to, the automatic renewal rights, the change of control related provisions (other than in respect to any entitlement of Rolco to the acceleration of the payment of the Performance Fee for the current year) and other entitlements and rights which could be triggered by the consummation of the Offer), and (b) the entering into by Brassard, Rolco and Capital Rolco of a non-competition agreement (the "Non-Competition Agreement") providing for a 15-month non-compete effective from the date of termination of the Services Agreement.

24. As part of Bell Canada's acquisition proposal, the Services Agreement would remain in place until October 21, 2006 to ensure an orderly transition of the business and affairs of Nexxlink to Bell Canada and benefit from Brassard's extensive strategic knowledge of the industry. The Services Agreement will not be renewed upon the expiry of the current term if the Offer is completed, unless agreed to by the parties thereto.

25. Assuming a change of control of Nexxlink, the Services Agreement provides that Rolco could be entitled to payments equal to $3,104,952 as a result of the completion of the Offer, consisting of (i) the payment of a change of control indemnity ($957,734) and the Performance Fee ($166,563), (ii) the continuance of the Services Agreement until October 2006 (consulting fees equal to $684,840), without renewal (contract non-renewal indemnity of $804,976); and (iii) a non-competition provision effective throughout the term of the Services Agreement and for a period of 15 months following its termination ($490,839, as required by Bell Canada).

Pursuant to Bell Canada's acquisition proposal, Rolco would be entitled to payments equal to $2,147,218 assuming (i) the continuance of the Services Agreement until October 2006 (consulting fees equal to $684,840 and contract non-renewal indemnity of $804,976), (ii) the payment of the Performance Fee ($166,563) and (iii) the above mentioned non-competition payment.

26. Following the completion of the Offer, it is contemplated that Brassard will step down as Executive Chairman of the Board of Directors of Nexxlink. With respect to the duties of Rolco following completion of the Offer, it is expected that they will be of a nature similar to those

previously performed (as described in paragraph 12 above, with the exception of the Executive Chairmanship and investor relations type duties) and that the time spent by Rolco in providing such services will be similar on an annualized basis in comparison to the period preceding the completion of the Offer.

27. As the initial take and pay under Bell Canada's acquisition proposal is scheduled to occur on or about February of 2005, the 15-month non-competition period was viewed by Bell Canada as an acceptable non-competition period so as to ensure that a minimum period of three years elapsed between the date of the initial take and pay and the expiry of the Non-Competition Agreement.

28. Under the Non-Competition Agreement, Brassard, Rolco and Capital Rolco are to receive a non-competition indemnity payment of $490,839, payable as to one half on the first anniversary of the closing of the Offer, and as to the balance at the expiry of the 15-month non-competition period. As stated in paragraph 18 above, under the Services Agreement, Nexxlink may in its entire discretion, impose a non-competition period of more than twelve months in consideration for the payment of an amount that is no less than the Aggregate Fees paid to Rolco the previous year. Had this formula been applied textually, and assuming that the Performance Fee targets had been achieved, Rolco would have been entitled to a non-competition payment far in excess of $490,839. Rolco has also agreed to decrease its entitlement by excluding its right to the Performance Fee. Otherwise, the amount of $490,839 was established by using the formula set out in the Services Agreement.

29. As stated above, the Services Agreement will remain in force until October 21, 2006, and during its continuation Rolco will be entitled to the Aggregate Fees contemplated by the Services Agreement and the Basic Fee will be increased by the Board of Directors of Nexxlink by 2.5% (the "Indexation") consistent with the 2.5% indexation to the Basic Fee for the prior year. In addition, upon expiry of the Services Agreement, the non-renewal fee contemplated by the Services Agreement will be paid to Rolco. The Indexation represents an adjustment to a financial term of the Services Agreement, as such Indexation is discretionary and not mandatory under the Services Agreement.

30. It is a condition to Bell Canada's acquisition proposal that the entering into of the Non-Competition Agreement, including the payment of the aforesaid non-competition payment indemnity, and the determination by the Board of Directors of Nexxlink of the Indexation under the Services Agreement as outlined above, not be considered by the Decision Makers to be a collateral benefit.

31. The entering into the Non-Competition Agreement and the determination by the Board of Directors of Nexxlink of the Indexation under the Services Agreement are not being made for purposes of conferring Brassard, Rolco and/or Capital Rolco with an economic or collateral benefit. The non-competition indemnity payment was negotiated at arm's length on commercially reasonable terms and conditions and represents a lesser amount than in keeping with the formula set out in the Services Agreement.

32. The entering into the Non-Competition Agreement is of significant value to Bell Canada as it believes that it is important to the success and growth of the business being acquired that Brassard does not compete with it for the term of the Non-Competition Agreement.

33. Details of the material terms of the Services Agreement and the Non-Competition Agreement will be disclosed in the take-over bid circular of Bell Canada as well as in the Board of Directors' circular of Nexxlink.

Decision

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

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

"Daniel Laurion"
Surintendant de la Direction de
L'encadrement des marchés des valeurs

2.2 Orders

2.2.1 Covington Strategic Capital Fund Inc. - s. 2.1 of NI 81-105

Headnote

Variation of a prior order to permit a labour sponsored investment fund to pay certain specified distribution costs out of fund assets contrary to section 2.1 of National Instrument 81-105 Mutual Fund Sales Practices. Variation granted on the condition that the distribution costs are included in the management expense ratio.

Statutes Cited

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

Rules Cited

National Instrument 81-105 Mutual Fund Sales Practices.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF ONTARIO

AND

IN THE MATTER OF
AN APPLICATION TO THE ONTARIO SECURITIES COMMISSION

AND

IN THE MATTER OF
COVINGTON STRATEGIC CAPITAL FUND INC.

ORDER

WHEREAS the Ontario Securities Commission (the "Commission") has received an application dated December 14, 2004 (the "Application") from Covington Strategic Capital Fund Inc. (the "Fund") for an exemption under section 9.1 of National Instrument 81-105 - Mutual Fund Sales Practices ("NI 81-105") from the applicability of Section 2.1 of NI 81-105 with respect to payments by the Fund to registered dealers.

In the Application, the Fund represented the following:

1. The Fund was incorporated under the laws of the Province of Ontario by articles of incorporation dated November 18, 2003. The sponsor of the Fund is the Canadian Professional Police Association (CPPA) (the "Sponsor").

2. The Fund is registered as a labour sponsored investment fund corporation under the Ontario Act, and qualifies as a prescribed labour-sponsored venture capital corporation under the *Income Tax Act* (Canada), as amended. The Fund is a mutual fund pursuant to the securities legislation of the Province of Ontario.

3. The Fund filed a (final) prospectus on January 9, 2004 in connection with the initial and continuous public offering of the Class A Shares, Series I (the "Series I Shares") and the Class A Shares, Series II (the "Series II Shares") to the public in Ontario (the "2004 Final Prospectus"), which 2004 Final Prospectus was receipted by the Ontario Securities Commission (the "Commission") on January 12, 2004.

4. The Commission provided the Fund with an order dated January 9, 2004 exempting the Fund from Section 2.1 of NI 81-105 (the "2004 Order") with respect to the 2004 Final Prospectus. The 2004 Order expired on November 30, 2004.

5. The Fund filed the Pro-Forma Prospectus on December 7, 2004 in connection with the continuous public offering of the Series I Shares and the Series II Shares to the public in Ontario.

6. The authorized capital of the Fund consists of an unlimited number of Class A Shares issuable in series of which the Series I Shares and the Series II Shares have been created as of the date hereof, an unlimited number of Class B Shares and an unlimited number of Class C Shares, issuable in series, of which 290,902.42 Series I Shares and 119,693.99 Series II Shares are issued and outstanding, no Class C Shares are issued or outstanding and 200 Class B Shares are issued and outstanding and held by the Sponsor.

7. The Fund makes investments in eligible Canadian businesses as defined in the Ontario Act. In general terms, eligible Canadian businesses are public or private companies carrying on business in Ontario with less than 500 employees and less than $50 million of total assets. The Fund invests primarily in Canadian independent software vendors that develop software applications that may run on one or more Microsoft platforms, and intends to develop and grow investee businesses in cooperation with the Fund's strategic partners.

8. The Fund's Manager will pay to registered dealers selling Class A Shares a commission of 10% of the offering price in respect of the sale of Series I Shares and a commission of 6% of the offering price in respect of the sale of Series II Shares. Investors who purchase Class A Shares will not pay any sales commissions directly. Such sales commissions will not be charged to nor amortized by the Fund, and instead the following distribution costs (collectively, the "Distribution Costs") will be paid in the manner set forth below:

   (a) with respect to the Series I Shares, (i) the Fund will pay to the Manager a monthly distribution services fee equal to 0.160% of the original issue price of the issued and unredeemed Series I Shares and (ii) after a period of eight years, the Fund will pay a service fee to registered dealers equal to 0.5% annually of the Net Asset Value of the Series I Shares held by clients of the sales representatives of such registered dealers (the "Series I Service Fee"); and

   (b) with respect to the Series II Shares, (i) the Fund will pay to the Manager a monthly distribution services fee equal to 0.096% of the original issue price of the issued and unredeemed Series II Shares and (ii) the Fund will pay a service fee to registered dealers equal to 0.5% annually of the Net Asset Value of the Series II Shares held by clients of the sales representatives of such registered dealers (the "Series II Service Fee" and collectively with the Series I Service Fee, the "Service Fees").

   The monthly distribution services fee is intended to reimburse the Manager for financing costs incurred to fund the payment of commissions, including an amount for interest and a one-time financing commitment fee payable in connection with such financing.

9. The structural elements of the Fund relating to the payment of commissions are consistent with the legislative requirements contemplated under the Ontario Act. Gross investment amounts will be paid to the Fund as opposed to, for example, first deducting a commission and remitting the net investment amount to the Fund, in order to ensure that the entire amount paid by an investor is eligible for applicable federal and Ontario tax credits which arise on the purchase of the Series I Shares and Series II Shares of the Fund. Subsection 25(4) of the Ontario Act, for example, provides that the provincial tax credit is a defined percentage of the amount received by a labour sponsored investment fund corporation as equity capital on the issue. Accordingly, it is tax efficient for the Fund to pay the Distribution Costs directly as outlined above.

10. Section 2.1 of NI 81-105 would prohibit the Fund from paying the Service Fees related to the trailing commissions to registered dealers.

11. An alternative commission arrangement at point of sale which serves to reduce the net amount invested in Fund securities is not practical in the context of the Fund's operations, since such an arrangement would prejudice an investor in Series I Share and/or Series II Shares by reducing the quantum of the tax credit otherwise available.

12. The structural characteristics of the Fund are substantially equivalent to other labour sponsored investment funds. The inability of the Fund to incur distribution costs directly would likely distinguish the fund in its expense characteristics from other labour sponsored investment funds, such that the Fund would be difficult to assess in the context of competitive funds and would be at a competitive disadvantage.

13. The (final) prospectus to be filed by the Fund hereafter will disclose the payment by the Fund of the Distribution Costs and that the Fund is responsible for payment of those expenses.

14. The Fund undertakes to comply with all other provisions of NI 81-105. In particular, the Fund undertakes that all Service Fees paid by it will be compensation permitted to be paid to participating dealers under NI 81-105.

THE DECISION of the Commission, based on the information and representations contained in the Application, and for the purposes described in the Application, is that the Fund shall be exempt from the prohibition in Section 2.1 of NI 81-105 in order to permit the Fund to pay the Service Fees directly as disclosed in the (final) prospectus provided that:

   (a) the Service Fees are otherwise permitted by, and paid in accordance with, NI 81-105;

   (b) the Fund will in its financial statements expense the Service Fees in the fiscal period when incurred and will ensure that Service Fees are being included in the Fund's calculation of its management expense ratio;

(c) the summary section of the prospectus of the Fund (the "Summary Section") has full, true and plain disclosure explaining to investors that they indirectly support the payment of the sales commission as the Manager pays the sales commissions when a purchaser purchases his or her Class A Shares but the Manager is compensated by the Fund for the payment of sales commissions (and the provision of various other services) through the fees paid in respect of general and investment advisory services and funding services described in the Summary Section. The Summary Section must be placed within the first 10 pages of the prospectus;

(d) the Fund shall include in the Summary Section a summary table of fees and expenses payable by the Fund in the following format:

Summary of Fees, Charges and Other Expenses Payable by the Fund

Type and Amount of Fee	**Description**

(e) the summary table shall also include the annual management expense ratio of the Fund for each of the last five completed financial years of the Fund with a brief description of the method of calculating the management expense ratio and the annual returns of the Fund for each of the last five completed financial years of the Fund; and

(f) this exemption shall cease to be operative with respect to the Commission on the date that a rule or regulation replacing or amending section 2.1 of NI 81-105 comes into force.

January 4, 2005.

"Susan Wolburgh Jenah" "Theresa McLeod"

2.2.2 UBS Global Asset Management (Americas) Inc. - s. 80 of the CFA

Headnote

UBS GLOBAL ASSET MANAGEMENT (AMERICAS) INC.

Application to the Commission for an order, pursuant to section 80 of the Commodity Futures Act (the CFA), that neither UBS Global Asset Management (Americas) Inc., nor any of its directors, officers or employees acting on its behalf as an adviser, shall be subject to paragraph 22(1)(b) of the CFA in respect of advice provided for the benefit of a Trust, the principal investment adviser of which is an Ontario registrant.

IN THE MATTER OF
THE COMMODITY FUTURES ACT, RSO. 1990, c. 20

AND

IN THE MATTER OF
UBS GLOBAL ASSET MANAGEMENT (AMERICAS) INC.

ORDER
(Section 80)

UPON the application of UBS Asset Management (Americas) Inc. ("UBS AM") to the Ontario Securities Commission (the "Commission") for a ruling under section 80 of the Commodity Futures Act, R.S.O. 1990, c.20 (the "CFA") that UBS AM and its officers are not subject to the requirement of paragraph 22(1)(b) of the CFA;

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

AND UPON UBS AM having represented to the Commission that:

1. UBS AM is incorporated under the laws of Delaware and is resident in Illinois. It does not have a place of business in Ontario with partners or officers that are resident in Ontario who act as advisors on its behalf in Ontario;

2. UBS AM is a commodity trading advisor registered with the Commodity Futures Trading Commission and a member of the National Futures Association in the United States, which permits UBS AM to advise in respect of futures contracts and options on futures contracts in the U.S.;

3. UBS AM currently acts as an adviser providing discretionary portfolio management services to UBS Global Allocation Trust (the "Trust"), an investment trust established under the laws of Ontario, which is managed by UBS Global Asset Management (Canada) Co. ("UBS Canada"), a registered adviser under the CFA, and may in the future act as an adviser by providing such portfolio management services for the benefit of clients of one or more:

   (a) registered advisers under the CFA, or

   (b) registered brokers and dealers acting as a portfolio adviser pursuant to section 44 of the Regulations to the CFA,

   (with UBS Canada, the "Registrants") in Ontario;

4. UBS AM has entered into a written agreement with UBS Canada which sets out the obligations and duties of UBS AM, and a similar agreement would be entered into with any other Registrants in the future;

5. UBS Canada will monitor the investment advice provided by UBS AM and its officers for the benefit of the Trust, and any Registrants in the future will be required to monitor UBS AM's investment advice provided for the benefit of their clients;

6. UBS AM now provides, and will in the future only provide, discretionary portfolio management services in circumstances where:

   (a) the Registrant has agreed in a document providing rights to the client of the Registrant to be responsible for any loss that arises out of the failure of UBS AM to:

      (i) exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the client; and

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

   (the "Standard of Care"), and in providing portfolio management services to the Registrant's clients this responsibility cannot be waived; and

   (b) disclosure is made to Ontario clients of the Registrant that the Registrant is responsible for any loss that arises out of the failure of UBS AM to meet the standard of care, that there may be difficulty in enforcing legal rights against UBS AM, and that all or substantially all of UBS AM's assets are situated outside of Ontario;

AND WHEREAS paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person is registered as an adviser, or is registered as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser, and the registration is in accordance with the CFA and the Regulations;

AND UPON the Commission being satisfied that to make this ruling would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 80 of the CFA, that UBS AM and its officers are not subject to the requirements of paragraph 22(1)(b) of the CFA in respect of advice provided for the benefit of clients of a Registrant, provided that:

(a) the obligations and duties of UBS AM are set out in a written agreement with the Registrant in Ontario;

(b) the Registrant agrees in a document providing rights to the client of the Registrant to be responsible for any loss that arises out of the failure of UBS AM to meet the Standard of Care in providing advice to the client of the Registrant and this responsibility is not waived; and

(c) a client agreement or offering document discloses that the Registrant is responsible for any loss that arises out of the failure of UBS AM to meet the standard of care in providing advice to the client of the Registrant and, that there may be difficulty enforcing any legal rights against UBS AM and all or a substantial portion of UBS AM's assets are situated outside of Ontario;

(d) any Registrant in addition to UBS Canada in respect of whom UBS AM proposes to rely on the exemption granted under this Order, UBS AM shall, as a condition to relying on such exemption, have executed and filed with the Commission a verification certificate referencing this Order and confirming the truth and accuracy of the Application with respect to that particular Registrant;

and provided that this order will terminate three years from the date hereof.

August 10, 2004.

"Susan Wolburgh Jenah" "Harold P. Hands"

2.2.3 Mississippi River Investments Inc. - s. 80 of the CFA

Headnote

MISSISSIPPI RIVER INVESTMENTS, INC.

Application to the Commission for an order, pursuant to section 80 of the Commodity Futures Act (the **CFA**), that neither the applicant, nor any of its directors, officers or employees acting on its behalf as an adviser, shall be subject to paragraph 22(1)(b) of the CFA in respect of advice provided for the benefit of a FMGL Managed Funds, the principal investment adviser of which is an Ontario registrant.

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

AND

IN THE MATTER OF
MISSISSIPPI RIVER INVESTMENTS, INC.

AND

IN THE MATTER OF
THE FRIEDBERG DIVERSIFIED FUND AND
THE FRIEDBERG FUTURES FUND

ORDER
(Section 80 of the Commodity Futures Act)

UPON the application of Mississippi River Investments, Inc. (MRI) to the Ontario Securities Commission (the Commission) for a ruling under section 80 of the Commodity Futures Act (the CFA) that MRI, its advising employees, partners, directors and officers are not subject to paragraph 22(1)(b) of the CFA in respect of advisory activities for The Friedberg Diversified Fund and The Friedberg Futures Fund (together, the Specified Funds), for each of which Friedberg Mercantile Group Ltd. (FMGL) acts as portfolio manager (or the equivalent), and for other mutual funds for which FMGL acts as portfolio manager (or the equivalent) and in respect of which FMGL may wish to engage MRI to provide advisory services.;

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

AND UPON MRI having represented to the Commission as follows:

1. MRI is a Tennessee corporation organized in 1978.

2. MRI is registered with the Commodity Futures Trading Commission (the CFTC**)** in the United States of America as a Commodity Trading Advisor and Commodity Pool Operator, and is a member of the National Futures Association (the NFA) in the United States of America.

3. FMGL is registered under the CFA as a dealer in the category of Commodity Futures Merchant and as an advisor in the category of Commodity Trading Manager. FMGL is also registered as a dealer under the *Securities Act* (Ontario) (the Securities Act) in the categories of Broker and Investment Dealer.

4. Each of the Specified Funds is a mutual fund (within the meaning ascribed to that term in Section 1 of the Securities Act) which is governed by National Instrument 81-102 -Mutual Funds and National Instrument 81-104 - Commodity Pools of the Canadian Securities Administrators. Each of the Specified Funds is constituted as a limited partnership organized under the laws of the Province of Ontario, and the units of each Specified Fund have previously been distributed on a continuous offering basis under a prospectus but are not currently being distributed.

5. FMGL is the portfolio manager (or the equivalent) for each of the Specified Funds. FMGL is also the portfolio manager (or the equivalent) for various other investment funds, which are currently constituted as limited partnerships or trusts, and may in the future act as portfolio manager (or the equivalent) for additional funds, however constituted (such current and future funds, together with the Specified Funds, being the FMGL Managed Funds).

6. Units of certain of the existing FMGL Managed Funds (including the Specified Funds, as described above) have been offered by prospectus (or simplified prospectus and annual information form), while units of other existing FMGL Managed Funds have only been offered on a prospectus exempt basis. Securities of future FMGL Managed Funds may be offered through a prospectus or on a prospectus exempt basis.

7. MRI is proposing to enter into one or more sub-advisory agreements with FMGL under which MRI would act as sub-advisor to FMGL in respect of each of the Specified Funds so as to advise in respect of purchases and sales of commodity futures contracts or related products by the Specified Funds, and FMGL and MRI may in the future wish to enter into arrangements under which MRI would provide such services to other FMGL Managed Funds (the Proposed Advisory Services).

8. In connection with the Proposed Advisory Services, MRI will enter into one or more written agreements with FMGL and the subject FMGL Managed Funds setting out the obligations and duties of MRI (each, a Sub-Advisory Agreement). The provisions of each Sub-Advisory Agreement will include the assumption of responsibility by FMGL in favour of the subject FMGL Managed Fund for the advice provided by MRI. Further, the Proposed Advisory Services will only be provided in circumstances where FMGL has contractually agreed with the subject FMGL Managed Fund to be responsible for any loss that arises out of the failure of MRI to

   (a) exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the subject FMGL Managed Fund, and

   (b) exercise the degree of care, diligence and skill that a responsibly prudent person would exercise in the circumstances

   (the Responsibility Undertaking), which responsibility cannot be waived on behalf of the subject FMGL Managed Fund.

9. The Proposed Advisory Services will only be provided in connection with FMGL Managed Funds if

   (a) where offering documentation is provided in respect of the offering of securities of the subject FMGL Managed Fund, such offering document discloses the Responsibility Undertaking, the difficulty in enforcing legal rights against MRI and that all or substantially all of MRI's assets are situated outside of Ontario (collectively, the Undertaking and Risk Disclosure), and

   (b) if securities of the subject FMGL Managed Fund are not being distributed, or are distributed without the use of an offering document, the Undertaking and Risk Disclosure is otherwise provided in writing to each then existing securityholder of the subject FMGL Managed Fund before MRI commences providing its services in respect of such FMGL Managed Fund and (if applicable) such written disclosure is provided to any subscribers for securities of the subject FMGL Managed Fund prior to the issuance of the subscribed securities.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested.

IT IS ORDERED pursuant to section 80 of the CFA that MRI, its employees, officers, partners and directors are not subject to the requirement of paragraph 22(1)(b) of the CFA to be registered under the CFA in respect of the Proposed Advisory Services, provided that:

   (c) the obligations and duties of MRI are set out in one or more written agreements with FMGL;

(d) the Proposed Advisory Services will only be provided in circumstances where FMGL has entered into the Responsibility Undertaking, including that the responsibilities of FMGL thereunder will not be waived on behalf of the subject FMGL Managed Funds;

(e) the Portfolio Advisory Services will only be provided in respect of FMGL Managed Funds if the Undertaking and Risk Disclosure has been provided to each existing securityholder and to any subscribers for securities, either through an offering document or other written form;

(f) MRI remains registered as a Commodity Trading Adviser with the CFTC and a member of the NFA;

(g) MRI will only provide advice to FMGL so long as FMGL remains a registrant under the CFA and the Securities Act.; and

(h) this order shall terminate three years from the date of the order.

August 13, 2004.

"Robert L. Shirriff" "H. Lorne Morphy"

2.2.4 Flaherty & Crumrine Incorporated - s. 80 of the CFA

Headnote

Application to the Commission for an order, pursuant to section 80 of the Commodity Futures Act (the **CFA**), that neither Flaherty & Crumrine, nor any of its directors, officers or employees acting on its behalf as an adviser, shall be subject to paragraph 22(1)(b) of the CFA in respect of advice provided for the benefit of an Alberta Fund, the principal investment adviser of which is an Ontario registrant, in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges outside Canada and cleared through clearing houses outside Canada.

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

AND

IN THE MATTER OF
FLAHERTY & CRUMRINE INCORPORATED

ORDER
(Section 80)

UPON the application of Flaherty & Crumrine Incorporated (**Flaherty & Crumrine**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 80 of the *Commodity Futures Act* (the **CFA**), that neither Flaherty & Crumrine, nor any of its directors, officers or employees acting on its behalf as an adviser (collectively, **Representatives**), shall be subject to paragraph 22(I)(b) of the CFA in respect of advice provided for the benefit of an Ontario Fund (as defined below), the principal investment adviser of which is an Ontario registrant, in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges outside Canada and cleared through clearing houses outside Canada (the **Contracts**);

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

AND UPON Flaherty & Crumrine having represented to the Commission that:

1. The Flaherty & Crumrine Investment Grade Fixed Income Fund (the **Fund**) is a newly created investment trust established under the laws of Alberta pursuant to a declaration of trust. The Fund has been established for the purpose of holding an actively managed portfolio consisting primarily of various corporate debt securities and hybrid preferred securities of North American issuers (the **Fixed Income Portfolio**). At the time of purchase, all of the securities held in the Fixed Income Portfolio will be rated investment grade.

2. The Fund will not purchase or sell commodities or commodity contracts except that the Fund may purchase and sell financial futures contracts and related options as part of its hedging strategies. Substantially all of the Fixed Income Portfolio will be hedged to the Canadian dollar at all times.

3. Brompton Capital Advisors Inc. (**BCA**) is the principal investment adviser to the Fund and is registered as an adviser under the *Securities Act*, Ontario (the **OSA**) in the categories of investment counsel and portfolio manager and as a limited market dealer. In respect of commodity futures related advice, BCA and its directors, officers and employees rely on section 31(d) of the CFA, which provides registration relief for OSA registrants whose services as advisers for purposes of the CFA are solely incidental to their principal business.

4. Flaherty & Crumrine will provide investment advisory and portfolio management services for the benefit of the Fund with respect to both the Fixed Income Portfolio and certain of the hedging strategies of the Fund.

5. Flaherty & Crumrine is a corporation headquartered in Pasadena, California and specializes in the active management of preferred shares, hybrid preferred securities and debt instruments for institutional investors and publicly traded closed-end funds. Flaherty & Crumrine is registered as an investment adviser under the *Investment Advisers Act* 1940, as amended, with the U. S. Commodities Futures Trading Commission as a commodity trading adviser and is a member of the U.S. National Futures Association.

6. In respect of its securities related investment advisory and portfolio management services for the benefit of the Fund, Flaherty & Crumrine and its Representatives rely on the exemption from registration under the OSA set out under section 7.3 of Ontario Securities Commission Rule 35-502 – *Non-Resident Advisers*, which provides that a non-resident adviser is exempt from the OSA registration requirement where the principal adviser is a registrant that pursuant to a written agreement, irrevocably accepts responsibility for the services provided by the exempted non-resident. Flaherty & Crumrine is not registered in any capacity under the CFA and does not intend to seek registration under the CFA.

7. Pursuant to a written agreement among Flaherty & Crumrine, BCA, the Fund and the manager of the Fund, BCA will monitor the investment advice (both as relates to securities and as relates to commodity futures) provided for the benefit of the Fund by Flaherty & Crumrine and its directors, officers and employees and will be responsible to the Fund for any loss that arises as a result of Flaherty & Crumrine or its directors, officers and employees failing to:

   (a) exercise their powers and discharge their duties honestly, in good faith and in the best interests of the Fund; or

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

8. The offering documents of the Fund disclose that BCA will be responsible for Flaherty & Crumrine's investment advice and that to the extent applicable, there may be difficulty in enforcing any legal rights against Flaherty & Crumrine as it is not resident in Canada and as all or a substantial portion of its assets are situated outside of Canada.

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

IT IS ORDERED pursuant to section 80 of the CFA that Flaherty & Crumrine and its Representatives are not subject to the requirements of paragraph 22(l)(b) in respect of their investment advice and portfolio management services for the benefit of the Fund, provided that:

   (a) the obligation and duties of Flaherty & Crumrine as an adviser are set out in a written agreement with BCA;

   (b) BCA contractually agrees with the Fund on whose behalf investment advice and portfolio management services are to be provided by Flaherty & Crumrine, its directors, officers and employees to be responsible for any loss that arises out of the failure of Flaherty & Crumrine, its directors, officers or employees so acting as advisers

      (i) to exercise the powers and discharge the duties of their office honestly, in good faith and in the best interests of Fund, or

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

   (c) BCA cannot be relieved by the Fund from its responsibility for loss under paragraph (b);

(d) Flaherty & Crumrine is registered as an investment adviser under the *Investment Advisers Act 1940*, as amended, with the U.S. Commodities Futures Trading Commission as a commodity trading adviser and is a member of the U.S. National Futures Association;

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

(f) unless BCA is registered under the CFA as a commodity trading manager, at the time of purchase of a Contract by the Fund, after giving effect to such purchase, the original cost of all Contracts of the Fund would not be more than five percent of the total assets of the Fund; and

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

November 23, 2004.

"Paul M. Moore" "David L. Knight"

2.2.5 The Proposed Restructuring of Sussex Group Limited - s. 74(1)

Headnote

Section 74(1) — interim manager to implement court approved plan of restructuring — key element of plan of restructuring involves issuance of shares — plan of restructuring approved by court in reliance upon court's inherent jurisdiction — statutory exemptions for trades made in connection with court approved reorganizations technically not available

Statutes Cited

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

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

AND

IN THE MATTER OF
THE PROPOSED RESTRUCTURING OF SUSSEX GROUP LIMITED

ORDER

Section 74(1)

UPON the application (the "Application") by of each of The Export Investors Group Ltd. ("Export") and the Saxton Corporations (as hereinafter defined) to the Ontario Securities Commission (the "Commission") for an order pursuant to section 74 of the Act exempting 1591924 Ontario Inc. (hereinafter referred to as "Newco") from the registration and prospectus requirements under sections 25 and 53 of the Act in connection with the issuance of Newco common shares as part of a Plan of Restructuring (as hereinafter defined);

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

AND UPON the Boards of Directors of Saxton and Export having represented to the Commission as follows:

1. The issuance of Newco common shares will be completed as part of a Plan of Restructuring of Sussex Group Limited ("Sussex Barbados") and 2001654 Ontario Limited (together with Sussex Barbados, the "Sussex Group") presented to Mr. Justice Cumming of the Ontario Superior Court of Justice (the "Court") by way of a motion dated October 2, 2003 and approved by the Order of Mr. Justice Cumming at that time.

The Saxton Corporations

2. Between January 1995 and September 1998, the following 39 financing corporations were

incorporated pursuant to the laws of the Province of Ontario (collectively, the "Saxton Corporations"):

1. The Saxton Trading Corp.
2. The Saxton Export Corp.
3. The Saxton Export (II) Corp.
4. The Saxton Export (III) Corp.
5. The Saxton Export (IV) Corp.
6. The Saxton Export (V) Corp.
7. The Saxton Export (VI) Corp.
8. The Saxton Export (VII) Corp.
9. The Saxton Export (VIII) Corp.
10. The Saxton Export (IX) Corp.
11. The Saxton Export (X) Corp.
12. The Saxton Export (XI) Corp.
13. The Saxton Export (XII) Corp.
14. The Saxton Export (XIII) Corp.
15. The Saxton Export (XIV) Corp.
16. The Saxton Export (XV) Corp.
17. The Saxton Export (XVI) Corp.
18. The Saxton Export (XVII) Corp.
19. The Saxton Export (XVIII) Corp.
20. The Saxton Export (XVIX) Corp.
21. The Saxton Export (XX) Corp.
22. The Saxton Export (XXI) Corp.
23. The Saxton Export (XXII) Corp.
24. The Saxton Export (XXIII) Corp.
25. The Saxton Export (XXIV) Corp.
26. The Saxton Export (XXV) Corp.
27. The Saxton Export (XXVI) Corp.
28. The Saxton Export (XXVII) Corp.
29. The Saxton Export (XXVIII) Corp.
30. The Saxton Export (XXIX) Corp.
31. The Saxton Export (XXX) Corp.
32. The Saxton Export (XXXI) Corp.
33. The Saxton Export (XXXII) Corp.
34. The Saxton Export (XXXIII) Corp.
35. The Saxton Export (XXXIV) Corp.
36. The Saxton Export (XXXV) Corp.
37. The Saxton Export (XXXVI) Corp.
38. The Saxton Export (XXXVII) Corp.
39. The Saxton Export (XXXVIII) Corp.

3. The following Saxton Corporations have since been voluntarily dissolved: The Saxton Export (XXIV) Corp., The Saxton Export (XXV) Corp., The Saxton Export (XXVI) Corp., The Saxton Export (XXIX) Corp., The Saxton Export (XXX) Corp. and The Saxton Export (XXXI) Corp.

4. The registered office of each of the Saxton Corporations is located at 5420 North Service Road, Suite 500, Burlington, Ontario, Canada L7L 6C7.

5. None of the Saxton Corporations is currently a reporting issuer in Ontario or in any other jurisdiction in Canada.

6. On October 7, 1998, on application of the Commission, the Ontario Court (General Division) (now the Ontario Superior Court of Justice) appointed KPMG Inc. as the custodian of the assets of the Saxton Corporations.

Export

7. Export was incorporated on November 17, 1994 pursuant to the laws of the Province of Ontario under the name of Sussex Export Ltd.. On October 18, 1995, Export changed its name to The Export Investors Group Ltd.

8. Export's registered office is located at 5420 North Service Road, Suite 500, Burlington, Ontario, Canada L7L 6C7.

9. Export is currently not a reporting issuer in Ontario or in any other jurisdiction in Canada.

10. The Saxton Corporations and Export are the only major creditors of the Sussex Group.

Newco

11. Newco was incorporated and organized pursuant to the laws of the Province of Ontario.

12. Newco's registered office is located at 595 Bay Street, Suite 300, Toronto, Ontario M5G 2C2.

13. Newco is not, and has no present intention of becoming, a reporting issuer in Ontario or in any other jurisdiction in Canada.

14. Newco is currently owned by the Horwath Orenstein Consultants Inc. (the "Interim Manager") on a temporary basis. Newco has nominal capital which will be cancelled or donated back to Newco immediately upon completion of the Plan of Restructuring.

The Financings

15. Between January 1995 and the summer of 1998, the Saxton Corporations entered into subscription agreements with approximately 850 Ontario investors and raised approximately $37 million (the "Saxton Financings"). The investors believed that they were acquiring either equity in or debt of the Saxton Corporations (the "Saxton Securities").

16. Export also raised funds from Ontario investors. Export entered into subscription agreements with approximately 60 Ontario investors using a confidential offering memorandum with respect to the issuance of units, which consisted of special shares and common shares (the "Export Financing" and, together with the Saxton Financings, the "Financings"), raising approximately $10 million.

17. Export and the Saxton Corporations purported to rely on the "seed capital" prospectus exemption contained in subparagraph 72(1)(p) of the Act in

connection with the Financings. Neither the "seed capital" exemption, nor any other prospectus exemption, was available to them.

18. Neither Export nor the Saxton Corporations filed a preliminary prospectus or a prospectus with the Commission in connection with the Financings, or was issued a receipt for a prospectus by the Commission.

19. Certain of the funds raised pursuant to the Saxton Financings were advanced to 1125956 Ontario Inc. by certain of the Saxton Corporations.

20. 1125956 Ontario Inc. advanced certain of the funds raised pursuant to the Saxton Financings to Export.

21. The Saxton Corporations and Export advanced certain of the funds raised pursuant to the Saxton Financings and certain of the funds raised pursuant to the Export Financing to Sussex Group Ltd., a company incorporated pursuant to the laws of Bahamas ("Sussex Admiral").

22. Sussex Admiral in turn advanced certain of the funds received by it to Sussex Barbados, which used the funds to develop an operating business in Cuba.

23. All of the outstanding common shares of Sussex Barbados are owned by Sussex Admiral.

24. Beginning in 1998, Commission staff commenced proceedings against a number of persons involved in the Saxton Financings alleging, among other things, that the distribution of Saxton Securities contravened Ontario securities laws, and in particular that none of the exemptions from the prospectus requirements or registration requirements under Ontario securities laws were available for the sale of the Saxton Securities. Certain of the proceedings have been settled, while others are pending.

25. In early 1999, KPMG reported that the Saxton Corporations raised approximately $37 million from Ontario investors. At that time, KPMG held the view that the value of the Saxton assets, at its highest (as reported by related companies), was approximately $5.5 million.

26. On May 8, 2003, after an investigation that began in September 1998 by the Ontario Provincial Police ("OPP") Anti-Rackets Section, the OPP laid charges against a number of persons involved in the Financings for fraud over $5,000 and theft over $5,000. The OPP investigation indicated that over 800 investors may have been defrauded of the money that they invested in the Saxton Corporations and Export.

27. On April 2, 2002, the Court appointed the Interim Manager as the interim manager of the undertaking, property and assets of the Sussex Group. The Interim Manager has since undertaken various steps, with the supervision of the Court, to stabilize the business of the Sussex Group and to ascertain its assets and liabilities, including a creditor review and approval process which has now been completed.

28. Following the completion of the credit review and approval process by the Interim Manager, and as of the date hereof, the Sussex Group has only six creditors remaining, (i) the Saxton Corporations and Export holding a total of $6,744,000 in debt, and (ii) four other creditors holding an aggregate of $49,000 in debt.

Plan of Restructuring

29. The Interim Manager has proposed to restructure the corporate affairs of the Sussex Group (the "Plan of Restructuring"). By Court Order dated October 2, 2003 the Plan of Restructuring was approved and the Interim Manager was Ordered to implement the Plan of Restructuring. The October 2, 2003 Court Order also gave the Interim Manager the discretion to revise the Plan of Restructuring where practicable or necessary.

30. Under the Plan of Restructuring, the Saxton Export Corporation, as successor to the Saxton Corporations and Export, will transfer to Newco the debt (the "Saxton Export Debt") originally owed by the Sussex Group to the Saxton Corporations and Export in exchange for common shares of Newco. Following the implementation of the Plan of Restructuring, Saxton Export Corporation will be the controlling shareholder of Newco. Newco will own all of the shares of Assetco, which in turn will own all of the assets presently held by the Sussex Group and will have no liabilities. The only assets of Saxton Export Corporation will be its shareholdings in Newco.

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

IT IS HEREBY ORDERED pursuant to Section 74 of the Act that sections 25 and 53 of the Act shall not apply to the issuance of Newco common shares to the Saxton Export Corporation, as contemplated by representation 30 above, provided the first trade in such Newco common shares will be subject to section 2.6 of Multilateral Instrument 45-102 *Resale of Securities*.

December 8, 2004.

"Suresh Thakrar" "Paul K. Bates"

2.2.6 Acting Secretary - ss. 3.5(3) and 7(3)

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

AND

IN THE MATTER OF
THE SECRETARY TO THE COMMISSION

ORDER
(Subsections 3.5(3) and 7(3))

WHEREAS a quorum of the Ontario Securities Commission (the "Commission") may, pursuant to subsection 3.5(3) of the Act, in writing authorize any member of the Commission to exercise any of the powers and perform any of the duties of the Commission, except the power to conduct contested hearings on the merits;

AND WHEREAS, the Secretary to the Commission may from time to time be absent from the Commission and unable to exercise the powers vested in the Secretary under the Act;

AND WHEREAS by order made on April 22, 2004, pursuant to subsection 7(3) of the Act (the "Order") the Commission designated any one of Rosemarie Gomme and Daisy Aranha to act in the capacity of Secretary.

NOW, THEREFORE, IT IS ORDERED that the Order is hereby revoked; and

THE COMMISSION HEREBY AUTHORIZES, pursuant to subsection 3.5(3) and subsection 7(3) of the Act, that Daisy Aranha is hereby designated to act in the capacity of Secretary and may alone, in the absence of the Secretary, exercise the powers vested in the Secretary under the Act or the Regulation thereto.

November 1, 2004.

"David A. Brown" "Paul M. Moore"

2.2.7 Sunrise Securities Corp. - s. 218 of Reg. 1015

Headnote

Application to the Commission for an order, pursuant to section 218 of Regulation 1015 of the *Securities Act* (Ontario), that the requirement in section 213 of the Regulation, which provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada, shall not apply to the Applicant. The order sets out the terms and conditions applicable to a non-resident limited market dealer.

Applicable Statutes

Ontario Regulation 1015, R.R.O. 1990, s. 213, 218.

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

AND

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

AND

IN THE MATTER OF
SUNRISE SECURITIES CORP.

ORDER
(Section 218 of the Regulation)

UPON the application (the **Application**) of Sunrise Securities Corp. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in section 213 of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, in order for the Applicant to be registered under the Act as a dealer in the category of limited market dealer;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation formed in 1992 under the laws of the State of New York. The head office of the Applicant is located in New York, New York.

2. The Applicant is currently registered in the United States as a broker-dealer under the Securities Exchange Act of 1934 and is a member in good standing of the National Association of Securities Dealers Inc.

3. The Applicant is a full-service investment banking and brokerage firm that provides a wide range of financial services to its clients including investment banking, corporate finance, equity trading and principal investing (merchant banking). The Applicant is seeking to provide similar services in Ontario and accordingly, is applying for registration as a limited market dealer.

4. The Applicant has concurrently applied to the Commission for registration under the Act as a dealer in the category of limited market dealer.

5. Section 213 of the Regulation provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

6. The Applicant is resident outside of Canada and does not require a separate Canadian company in order to carry out its proposed limited market dealer activities in Ontario. The Applicant will only participate in the distribution of securities in Ontario pursuant to registration and prospectus exemptions contained in the Act and Ontario Securities Commission Rule 45-501 *Exempt Distributions*.

7. Without the relief requested, the Applicant would not meet the requirements of the Regulation for registration as a dealer in the category of limited market dealer because it is not a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

AND UPON being satisfied that to make this order would not be prejudicial to the public interest;

IT IS ORDERED THAT, pursuant to section 218 of the Regulation, and in connection with the registration of the Applicant as a dealer under the Act in the category of limited market dealer, section 213 of the Regulation shall not apply to the Applicant for a period of three years, provided that:

1. The Applicant appoints an agent for service of process in Ontario.

2. The Applicant shall provide to each client resident in Ontario a statement in writing disclosing the non-resident status of the Applicant, the Applicant's jurisdiction of residence, the name and address of the agent for service of process of the Applicant in Ontario, and the nature of risks to clients that legal rights may not be enforceable.

3. The Applicant will not change its agent for service of process in Ontario without giving the Ontario Securities Commission 30 days' prior notice of such change by filing a new Submission to Jurisdiction and Appointment of Agent for Service of Process.

4. The Applicant and each of its registered directors or officers irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial, and administrative tribunals of Ontario and any administrative proceedings in Ontario, in any proceedings arising out of or related to or concerning its registration under the Act or its activities in Ontario as a registrant.

5. The Applicant will not have custody of, or maintain customer accounts in relation to, securities, funds, and other assets of clients resident in Ontario.

6. The Applicant will inform the Director immediately upon the Applicant:

   (a) ceasing to be registered in the United States as a broker-dealer;

   (b) of its registration in any other jurisdiction not being renewed or being suspended or revoked;

   (c) becoming aware that it is the subject of an investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority; or

   (d) that the registration of its salespersons, officers or directors who are registered in Ontario have not been renewed or have been suspended or revoked in any Canadian or foreign jurisdiction; or

   (e) becoming aware that any of its salespersons, officers or directors who are registered in Ontario are the subject of an investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority in any Canadian or foreign jurisdiction.

7. The Applicant will pay the increased compliance and case assessment costs of the Commission due to the Applicant's location outside Ontario, including the cost of hiring a third party to perform a compliance review on behalf of the Ontario Securities Commission.

8. The Applicant will make its books and records outside Ontario, including electronic records, readily accessible in Ontario, and will produce physical records for the Commission within a reasonable time if requested.

9. If the laws of the jurisdiction in which the Applicant's books and records are located prohibit production of the books and records in Ontario

without the consent of the relevant client the Applicant shall, upon a request by the Commission:

(a) so advise the Commission; and

(b) use its best efforts to obtain the client's consent to the production of the books and records.

10. The Applicant will, upon the Commission's request, provide a representative to assist the Commission in compliance and enforcement matters.

11. The Applicant and each of its registered directors or officers will comply, at the Applicant's expense, with requests under the Commission's investigation powers and orders under the Act in relation to the Applicant's dealings with Ontario clients, including producing documents and witnesses in Ontario, submitting to audit or search and seizure process or consenting to an asset freeze, to the extent such powers would be enforceable against the Applicant if the Applicant were resident in Ontario.

12. If the laws of the Applicant's jurisdiction of residence that are otherwise applicable to the giving of evidence or production of documents prohibit the Applicant or the witnesses from giving the evidence without the consent or leave of the relevant client or any third party, including a court of competent jurisdiction, the Applicant shall:

(a) so advise the Commission; and

(b) use its best efforts to obtain the client's consent to the giving of the evidence.

13. The Applicant will maintain appropriate registration and regulatory organization membership, in the jurisdiction of its principal operations, and if required, in its jurisdiction of residence.

November 26, 2004.

"David L. Knight" "H. Lorne Morphy"

2.2.8 Canadian Trading and Quotation System Inc. (CNQ) - s. 147 of the Act and s. 15 of NI 21-101

Headnote

Section 147 of the Act and Section 15 of NI 21-101 – exemption granted, for 2004 and 2005, from the requirement in CNQ's recognition order and National Instrument 21-101, respectively, to cause to be performed an independent systems review and report.

Ontario Statutory Provisions Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 147.

Rule Cited

National Instrument Marketplace Operation 21-101, ss. 12.1(b) and 15.

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

AND

IN THE MATTER OF
CANADIAN TRADING AND QUOTATION SYSTEM INC.

ORDER
(Section 147 of the Act, Section 15 of National Instrument 21-101)

WHEREAS Canadian Trading and Quotation System Inc. ("CNQ") has filed an application dated December 15, 2004 (the "Application") to the Ontario Securities Commission (the "Commission") requesting an order pursuant to section 147 of the Act exempting CNQ from section 7(b) of the Commission order dated May 7, 2004 recognizing CNQ as a stock exchange (the "Recognition Order") for the years 2004 and 2005;

AND WHEREAS CNQ has applied to the Director under section 15 of National Instrument 21-101 *Marketplace Operation* ("NI 21-101") for an order exempting CNQ from section 12.1(b) of NI 21-101 for the years 2004 and 2005;

AND WHEREAS section 7(b) of the Recognition Order and section 12.1(b) of NI 21-101 require CNQ to annually cause an independent review and written report, in accordance with established audit procedures and standards ("Independent System Review" or "ISR"), of CNQ's controls for ensuring it is in compliance with requirements in the Recognition Order and NI 21-101 to maintain capacity and integrity of its systems that support order entry, order routing, execution, data feeds, trade reporting and trade comparison, capacity and integrity requirements (collectively, the "CNQ System");

AND WHEREAS CNQ has represented to the Commission and the Director that

1. CNQ's current trading and order entry volumes are less than 1% of the current design and peak capacity of the CNQ System and CNQ has not experienced any failure of the CNQ System;

2. CNQ is a start-up marketplace and the cost of an ISR would represent a significant portion of CNQ's revenue from trading fees;

3. the CNQ System is monitored 24 hours a day, 7 days a week to ensure that all components continue to operate and remain secure;

4. on a reasonably frequent basis, and in any event, at least annually, CNQ

   (i) makes reasonable current and future capacity estimates for the CNQ System;

   (ii) conducts capacity stress tests of the CNQ System to determine the ability of the CNQ System to process transactions in an accurate, timely and efficient manner;

   (iii) develops and implements reasonable procedures to review and keep current the development and testing methodology of the CNQ System; and

   (iv) reviews the vulnerability of the CNQ System and data centre computer operations to internal and external threats including physical hazards, and natural disasters;

5. CNQ has established disaster recovery and business continuity plans covering all foreseeable contingencies; and

6. CNQ has completed a management review and written report of the CNQ System and of its controls for ensuring it will continue to comply with these representations and has provided a copy of the report to staff of the Commission;

AND WHEREAS the Commission and the Director have received certain other representations and undertakings from CNQ in connection with the Application;

AND WHEREAS based on the Application and the representations and undertakings made to the Commission and the Director, the Commission is satisfied that granting an exemption from section 7(b) of the Recognition Order would not be prejudicial to the public interest;

AND WHEREAS based on the Application and the representations and undertakings made to the Commission and the Director, the Director is satisfied that granting an exemption from section 15 of NI 21-101 would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission that pursuant to section 147 of the Act CNQ is exempted from the requirements of section 7(b) of the Recognition Order for the years 2004 and 2005;

AND IT IS HEREBY ORDERED by the Director that pursuant to section 15 of NI 21-101 CNQ is exempted from the requirements of section 12.1(b) of NI 21-101 for the years 2004 and 2005;

PROVIDED THAT:

1. CNQ shall promptly notify the Commission of any material failures of and changes to the CNQ System and of any failure to comply with the representations set out herein.

2. CNQ shall in 2005 and 2006 complete updated management reviews of the CNQ System and of its controls for ensuring it continues to comply with the representations set out herein and shall prepare written reports of its reviews, which shall be filed with staff of the Commission no later than June 30, 2005 for the 2005 report and June 30, 2006 for the 2006 report.

December 24, 2004.

"Paul M. Moore"

"H. Lorne Morphy"

"Cindy Petlock"

2.2.9 Jefferies Asset Management, LLC - s. 80 of the CFA

Headnote

JEFFERIES ASSET MANAGEMENT, LLC

Subsection 80 of the *Commodity Futures Act* (Ontario) – relief from the requirements of subsection 22(1)(b) of the CFA in respect of advising certain non-Canadian mutual funds related to commodity futures contracts and commodity futures options traded on commodity futures exchanges outside Canada and cleared through clearing corporations outside Canada subject to certain terms and conditions.

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

AND

IN THE MATTER OF
JEFFERIES ASSET MANAGEMENT, LLC

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of Jefferies Asset Management, LLC (the **Applicant**) to the Ontario Securities Commission (the **Commission** or the **OSC**) for an order pursuant to section 80 of the CFA that the Applicant and its directors, officers, members and employees acting on its behalf as an adviser (collectively, the **Representatives**), be exempt, for a period of three years, from the registration requirements of clause 22(1)(b) of the CFA in respect of advising certain mutual funds, non-redeemable investment funds and similar investment vehicles established outside of Canada in respect of investments in commodity futures contracts and commodity futures options principally traded on commodity futures exchanges outside of Canada and cleared through clearing corporations outside of Canada;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability company organized under the laws of the State of Delaware in the United States of America. The Applicant serves as the manager of Jefferies Real Asset Fund, LLC (the **Onshore Fund**), Jefferies Real Asset Fund (Cayman) Ltd. (the **Offshore Fund**) and as manager and adviser to Jefferies Real Asset Master Fund Ltd. (the **Master Fund**)(collectively the **Funds**). The Onshore Fund is a limited liability company organized under the laws of Delaware, USA. The Offshore Fund and the Master Fund are both Cayman Islands exempted companies incorporated on December 22, 2003. Each of the Onshore Fund and the Offshore Fund will invest substantially all of its assets through the Master Fund in a "master-feeder" arrangement. The Funds may in the future include certain other mutual funds, non-redeemable investment funds or similar investment vehicles.

2. The Applicant is currently exempt from registration as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended, and is currently exempt from registration with the U.S. Commodity Futures Trading Commission and is not subject to the rules of the U.S. National Futures Association.

3. The Applicant is, or in the future may be, the investment manager for the Funds. As the investment manager for the Funds, the Applicant is or will be responsible for providing certain administrative services, investment advice and other investment management services to the Funds.

4. Any of the Funds advised by the Applicant are or will be established outside of Canada. Securities of the Funds are or will be primarily offered outside of Canada to institutional investors and high net worth investors. Securities of the Funds are or will be offered only to Ontario residents who qualify as an "accredited investor" under OSC Rule 45-501 *Exempt Distributions* or will be offered and distributed in Ontario only in reliance upon an exemption from the prospectus requirements of the *Securities Act* (Ontario) (the **OSA**) and an exemption from the adviser registration requirement of the OSA under section 7.10 of OSC Rule 35-502 *Non-Resident Advisers* (**Rule 35-502**).

6. The Applicant and the Representatives, where required, are or will be registered or licensed or are or will be entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of the Applicant's principal jurisdiction.

7. The Applicant is not registered in any capacity under the CFA or the OSA.

8. The Funds currently, or in the future will, issue securities that are offered primarily outside of Canada. None of the Funds is or has any current intention of becoming a reporting issuer in Ontario or in any other Canadian jurisdiction.

9. The Funds may, as part of their investment program, invest in commodity futures contracts and commodity futures options principally traded on organized exchanges outside of Canada and cleared through clearing corporations located outside of Canada.

10. Prospective investors who are Ontario residents will receive disclosure that includes (i) a statement that there may be difficulty in enforcing legal rights against the Funds or the Applicant advising the Funds because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and (ii) a statement that the Applicant advising the applicable Funds is not registered with or licensed by any securities regulatory authority in Canada and, accordingly, the protections available to clients of a registered adviser will not be available to purchasers of securities of the Funds.

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

IT IS ORDERED pursuant to section 80 of the CFA that the Applicant and the Representatives are not subject to the requirements of clause 22(1)(b) of the CFA in respect of their advisory activities in connection with the Funds, for a period of three years, provided that:

(a) the Applicant, where required, is or will be registered or licensed or are or will be entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of its principal jurisdiction;

(b) the Funds invest, or may in the future invest, in commodity futures contracts and commodity futures options principally traded on organized exchanges outside of Canada and cleared through clearing corporations located outside of Canada;

(c) securities of the Funds are and will be offered primarily outside of Canada and securities of the Funds will only be distributed in Ontario through one or more registrants under the OSA in reliance on an exemption from the prospectus requirements of the OSA and upon an exemption from the adviser registration requirement of the OSA under section 7.10 of Rule 35-502; and

(d) prospective investors who are Ontario residents will receive disclosure that includes (i) a statement that there may be difficulty enforcing legal rights against the Funds or the Applicant advising the Funds because they are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and (ii) a statement that the Applicant advising the Funds is not registered with or licensed by any securities regulatory authority in Canada and, accordingly, the protections available to clients of a registered adviser will not be available to purchasers of securities of the Funds.

January 7, 2005.

"Susan Wolburgh Jenah" "Paul K. Bates"

2.2.10 FM Fund Management Limited - s. 80 of the CFA

Headnote

Subsection 80 of the *Commodity Futures Act* (Ontario) – relief from the requirements of subsection 22(1)(b) of the CFA in respect of advising certain non-Canadian mutual funds related to commodity futures contracts and options traded on commodity futures exchanges outside Canada and cleared through clearing corporations outside Canada subject to certain terms and conditions.

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

AND

IN THE MATTER OF
FM FUND MANAGEMENT LIMITED

ORDER
(Section 80 of the CFA)

UPON the application of FM Fund Management Limited (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 80 of the CFA that the Applicant and its directors, officers and employees acting on its behalf as an adviser (collectively the **Representatives**) are exempt for a period of three years from the requirements of paragraph 22(1)(b) of the CFA in respect of advising the Absolute Germany Fund, the Absolute Return Europe Fund and the European Catalyst Fund (together the **Funds**) in respect of trades in commodity futures contracts and options traded on commodity futures exchanges primarily outside of Canada and cleared through clearing corporations primarily outside of Canada (the **Proposed Advisory Business**);

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

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

1. The Applicant is a limited liability company organized under the laws of the Cayman Islands.

2. The Applicant is not registered under the CFA as either an advisor or dealer.

3. The Applicant is registered as an Excluded Person under the Securities Investment Business Law of the Cayman Islands.

4. The Applicant serves as Investment Manager of the Funds. The Applicant is responsible for providing investment advice with respect to investments in or the use of commodity futures contracts traded on commodity futures exchanges located primarily outside of Canada and cleared through clearing corporations located primarily outside of Canada.

5. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA for a person or company acting as an adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption from the adviser registration requirement in clause 25(1)(b) of the *Securities Act*, Ontario (the **OSA**) for acting as an adviser (as defined in the OSA) in respect of securities that is provided under section 7.10 (Privately Placed Funds Offered Primarily Abroad) of Rule 35-502 – *Privately Placed Funds Offered Primarily Abroad* (the **Non-Resident Adviser Rule**).

6. As would be required under section 7.10 of the Non-Resident Advisor Rule, the securities of the Funds will be:

   (i) primarily offered outside of Canada;

   (ii) only distributed in Ontario through one or more registrants under the OSA; and

   (iii) distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA.

7. Prospective investors who are Ontario residents will receive disclosure that includes (i) a statement that there may be difficulty in enforcing legal rights against the Funds, and or the Applicant which advises the relevant Funds, because such entities are resident outside of Canada and as all or substantially all of their assets are situated outside of Canada; and (ii) a statement that the Applicant advising the applicable Funds is not registered with or licensed by any securities regulatory authority in Canada and, accordingly, the protections available to clients of a registered adviser will not be available to purchasers of securities of the Funds.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemptions requested.

IT IS ORDERED pursuant to section 80 of the CFA that the Applicant and its Representatives are, for a period of three years, not subject to the requirements of paragraph 22(1)(b) of the CFA in respect of the Proposed Advisory Business until the date when the Fund ceases to meet the criteria of the Non-Resident Adviser Rule, as set forth in paragraph 6 above, provided that:

   (a) the Applicant continues to be an Excluded Person or otherwise appropriately registered under the Securities Investment Business Law of the Cayman Islands;

(b) the Fund invests in futures and options contracts traded on organized exchanges located primarily outside of Canada and cleared through clearing corporations located primarily outside of Canada, in other derivative instruments traded over the counter primarily outside of Canada, and in securities primarily outside of Canada;

(c) securities of the Fund are offered primarily outside of Canada and are only distributed in Ontario through Ontario-registered dealers, in reliance on an exemption from the prospectus requirements of the OSA and upon an exemption from the adviser registration requirements of the OSA and section 7.10 of Rule 35-502; and

(d) prospective investors who are Ontario residents will receive disclosure that includes

(i) a statement that there may be difficulty in enforcing legal rights against the Applicant, or the principals of the Applicant because they are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

(ii) a statement that the Applicant is not registered with or licensed by any securities regulatory authority in Ontario and, accordingly, the protections available to clients of a registered adviser will not be available to purchasers of securities of the Fund.

January 7, 2005.

"Susan Wolburgh Jenah" "Paul K. Bates"

2.2.11 Quincy Gold Inc. - ss. 83.1(1)

Headnote

Order deeming issuer to be a reporting issuer. Issuer is a reporting issuer in British Columbia and Alberta, and its securities are listed on the TSX Venture Exchange.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., subsection 83.1(1).

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

AND

IN THE MATTER OF
QUINCY GOLD CORP.

ORDER
(Subsection 83.1(1))

UPON the application of Quincy Gold Corp. (the Issuer) for an order pursuant to subsection 83.1(1) of the Act deeming the Issuer to be a reporting issuer for the purposes of Ontario securities law;

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

AND UPON the Issuer representing to the Commission as follows:

1. The Issuer was incorporated on May 5, 1999 pursuant to the provisions of Chapter 78 of the Nevada Revised Statutes, *Private Corporations*.

2. The Issuer's head office is located at 309 Center Street, Hancock, Michigan, U.S.A.

3. The Issuer is, and has been, subject to the reporting requirements of the Securities Exchange Act of 1934 since November 10, 2000.

4. The authorized share capital of the Issuer consists of 200,000,000 shares of Common Stock, par value $0.001 (Common Shares). There are currently 22,626,670 Common Shares issued and outstanding.

5. The Common Shares are currently quoted on the Over-the-Counter Bulletin Board operated by NASDR, Inc. under the symbol "QCYG".

6. The Common Shares were listed and posted for trading on the TSX Venture Exchange Inc. (the TSX-V) on October 6, 2004 under the symbol

"QGO". The Issuer is not designated as a capital pool company by the TSX-V.

7. The Issuer has been a reporting issuer under the *Securities Act* (Alberta) (the Alberta Act) and the *Securities Act* (British Columbia) (the BC Act) since October 6, 2004 as a result of the listing and posting of the Common Shares on the TSX-V.

8. The Issuer has a significant connection to Ontario in that residents of Ontario hold approximately 5,536,016 Common Shares, which represents approximately 24.47% of the Issuer's issued and outstanding Common Shares. This information is based upon (i) the registered list of the Issuer's stockholders provided by the Issuer's transfer agent as at October 4, 2004 and (ii) a geographic range report prepared by ADP Investor Communications as at October 4, 2004.

9. The Issuer has maintained its continuous disclosure obligations under the Alberta Act and the BC Act since October 6, 2004, which obligations are substantially similar to those under the Act. The continuous disclosure materials filed by the Issuer since October 4, 2004 are available on the System for Electronic Document Analysis and Retrieval (SEDAR).

10. Other than in the provinces of Alberta and British Columbia, the Issuer is not a reporting issuer or the equivalent under the securities legislation of any other jurisdiction in Canada.

11. The Issuer is not in default of any requirements contained in the BC Act or the Alberta Act.

12. Neither the Issuer nor any of its directors and officers nor, to the knowledge of the Issuer and its directors and officers, any of its controlling shareholders, has:

    a) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority,

    b) entered into a settlement agreement with a Canadian securities regulatory authority, or

    c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision, except as follows:

    On February 15, 1996 the British Columbia Securities Commission issued an order against Thomas Skimming for failing to file nine insider reports outside the required time period. The Commission ordered that Mr. Skimming pay late fees of $450, an administrative penalty of $5,000, and the fees and costs of the hearing. The Commission also ordered that he be barred from becoming a director or officer of a reporting issuer for a period of two years and complete a course of study acceptable to the Commission. Mr. Skimming subsequently completed the "Going Public and Continuous Disclosure" Program at Simon Fraser University. Mr. Skimming was also denied the availability of certain exemptions under the British Columbia Securities Act for a period of two years.

The preceding information has been disclosed within a TSX-V Form 5A Filing Statement filed by the Issuer on SEDAR on October 4, 2004.

13. Other than what is described in paragraph 12 above, neither the Issuer nor its directors and officers nor, to the knowledge of the Issuer and its directors and officers, any of its controlling shareholders, is or has been subject to:

    a) any known ongoing or concluded investigations by:

        i) a Canadian securities regulatory authority, or

        ii) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or

    b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

14. Neither the Issuer nor its directors and officers nor, to the knowledge of the Issuer and directors and officers, any of its controlling shareholders, is or has been, at the time of such event, a director or officer of another issuer which is or has been subject to:

    a) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or

    b) any bankruptcy or insolvency proceedings, or other proceedings,

arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

15. The Issuer will remit all participation fees due and payable by it pursuant to Commission Rule 13-502 *Fees* by no later than January 4, 2004.

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

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that the Issuer be deemed to be a reporting issuer for the purpose of Ontario securities law.

December 24, 2004.

"Iva Vranic"

2.2.12 The Learning Library Inc. - s. 144

Headnote

Revocation of cease trade order granted to issuer that is up-to-date on its continuous disclosure filings, and is planning a reorganization.

Statutes Cited

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

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

AND

IN THE MATTER OF
THE LEARNING LIBRARY INC.

ORDER
(Section 144)

WHEREAS the securities of The Learning Library Inc. (the Issuer) are subject to a temporary order of the Director dated June 3, 2003 under paragraph 127(1)2 and subsection 127(5) of the Act (the Temporary Order), and extended by a further order of the Director dated June 13, 2003 (the Further Order and, collectively with the Temporary Order, the Cease Trade Order) directing that trading in the securities of the Issuer cease;

AND WHEREAS, by order of the Director dated May 11, 2004, the Cease Trade Order was partially revoked to facilitate the completion of a private placement by the Issuer;

AND WHEREAS the Issuer has applied to the Ontario Securities Commission (the Commission) for an order pursuant to section 144 of the Act for an order revoking the Cease Trade Order;

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

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

1. The Issuer is a corporation formed under the *Business Corporations Act* (Ontario) on June 25, 2002 by the amalgamation (the Amalgamation) of The Learning Library Inc. with Sydenham Capital Inc. and E-Amigos.com Inc., both capital pool companies listed on the TSX Venture Exchange (the Exchange).

2. Pursuant to the Amalgamation, the Issuer became a reporting issuer in the provinces of British Columbia and Alberta, having inherited the reporting issuer status of both Sydenham Capital Inc. and E-Amigos.com Inc., and was listed on the Exchange. Subsequent to the Amalgamation, the

Issuer applied for, and was granted, reporting issuer status in the Province of Ontario.

3. As of December 30, 2004, the authorized capital of the Issuer consists of an unlimited number of common shares and an unlimited number of preferred shares, of which 24,987,199 common shares and 2,661,333 preferred shares are issued and outstanding.

4. As a result of its financial hardship, the Issuer failed to file its unaudited interim financial statements for the three month period ended March 31, 2003 (the Initial Financial Statements in Default).

5. As a result of the Issuer's failure to file the Initial Financial Statements in Default, the Commission issued the Temporary Order.

6. As a result of the imposition of the Temporary Order, the Exchange suspended trading in the Issuer's shares on June 3, 2003.

7. On June 13, 2003, the Commission issued the Further Order.

8. On June 17, 2003, the British Columbia Securities Commission issued a cease trade order against the Issuer (the BC Cease Trade Order) and on October 10, 2003, the Alberta Securities Commission issued a cease trade order against the Issuer (the Alberta Cease Trade Order and, collectively with the Cease Trade Order and the BC Cease Trade Order, the Cease Trade Orders).

9. Since the Cease Trade Order was issued, the Issuer failed to file the following additional financial statements within the timeframes required by applicable securities laws:

   (i) unaudited interim financial statements for the six month period June 30, 2003; and

   (ii) unaudited interim financial statements for the nine month period ended September 30, 2003,

   (collectively, with the Initial Financial Statements in Default, the Financial Statements in Default).

10. On March 25, 2004, the Issuer filed the Financial Statements in Default with the securities regulatory authorities in the provinces of Alberta, British Columbia and Ontario through SEDAR.

11. The Issuer is now up to date in the filing of its financial statements under the requirements of Ontario securities laws. In particular, the Issuer has filed:

   - its audited annual financial statements for the year ended December 31, 2003; and
   - its unaudited interim financial statements for the periods ended March 31, 2004 and June 30, 2004, and its amended and restated unaudited interim financial statements for the period ended September 30, 2004.

12. In addition, the Issuer has filed Form 13-502F1 with the Commission and paid the appropriate participation fee to the Commission for the year ended December 31, 2004 pursuant to Commission Rule 13-502. The Issuer is not, to its knowledge, in default of any of the requirements of the Act, or the rules and regulations made pursuant thereto.

13. In August 2004, the Issuer applied to have the listing of its common shares transferred from the Exchange to the "NEX" board of the Exchange pending completion of its Change of Business Transaction (as defined below). The Issuer's listing of its common shares was transferred to the "NEX" board on September 3, 2004.

14. Due to the prospects of the Issuer's current business model, the directors of the Issuer have determined that it is in the best interests of the Issuer to undertake a reorganization with the objective of divesting the Issuer's current business and completing a transaction by which the Issuer will acquire an alternative business which has better prospects for its shareholders (the Reorganization).

15. Under the Reorganization, the Issuer proposes to: (i) convert all of the 2,661,333 preferred shares in the capital of the Issuer into 2,661,333 common shares; (ii) consolidate the issued and outstanding common shares of the Issuer so that it will have approximately 10,000,000 common shares issued and outstanding (after giving effect to the conversion of the preferred shares); (iii) discontinue its current business and sell all of its assets; (iv) complete the Change of Business Transaction (as defined below); and (v) concurrent with the Change of Business Transaction, apply to have the Cease Trade Orders revoked and trading in the Issuer's common shares on the Exchange reinstated.

16. In order to pursue the Reorganization, between June and September 2004, the Issuer completed a non-brokered private placement (the Private Placement) of 10,160,000 special units of the Issuer (the Special Units) at a price of $0.10 per Special Unit for gross proceeds of $1,016,000. Each Special Unit is exercisable to acquire, for no additional consideration, one common share of the Issuer and one common share purchase warrant (a Warrant) (after giving effect to the proposed share consolidation described below). Each Warrant entitles the holder to acquire one common share at a price of $0.15 for a period of

two years (after giving effect to the proposed share consolidation described below). On May 11, 2004, the Issuer obtained a partial revocation of the Cease Trade Order under Section 144 of the Act in order to complete the Private Placement.

17. In connection with the Reorganization, the Issuer called an annual and special meeting of shareholders, which was held on November 30, 2004 (the Meeting). Copies of the audited annual financial statements of the Issuer for the years ended December 31, 2002 and December 31, 2003 and of the unaudited interim financial statements for the six-months ended June 30, 2004 were mailed to shareholders of the Issuer with the proxy materials for the Meeting.

18. As disclosed in the management information circular of the Issuer dated October 29, 2004 prepared in connection with the Meeting (the Information Circular), and the press releases of the Issuer dated August 19, 2004 and September 24, 2004, the Issuer intends to complete two change of business transactions as part of the Reorganization. First, the Issuer has entered into an arm's length agreement to acquire a 100% interest in certain contiguous mining claims located at Street Township, Ontario (the Street Township Transaction). Second, the Issuer has entered into an arm's length agreement with EXMIN, Inc. (Exmin), a private gold exploration company, pursuant to which the Issuer and Exmin have agreed to a potential business combination (the Exmin Transaction and, together with the Street Township Transaction, the Change of Business Transaction). Following the sale of the Issuer's existing business, the conversion of the preferred shares and the consolidation of the common shares, the Issuer proposes to complete these transactions to become engaged in the business of exploring and developing mineral resource properties.

19. As disclosed in the Information Circular, pursuant to the Street Township Transaction, the Issuer proposes to acquire up to a 100% interest in certain contiguous mining claims located at Street Township, Ontario pursuant to an option agreement in consideration of: (a) issuing 1,000,000 common shares to the optionor; and (b) within thirty six months, paying $40,000 and issuing 600,000 common shares to the optionor and incurring a maximum of $700,000 in exploration expenditures on the mining claims as follows: (i) a minimum of $75,000 to a maximum of $100,000 on the Phase 1 work program, which must be completed within three months and, provided the Issuer has issued to the optionor the 1,000,000 common shares referred to above, the Issuer will earn a 50% interest in the mining claims; (ii) $250,000 of exploration expenditures on the Phase 2 work program, and payment of $15,000 and the issuance of 300,000 common shares to the optionor within 24 months, at which point the Issuer will earn an additional 25% interest in the mining claims; and (iii) $350,000 of exploration expenditures on the Phase 3 work program, and payment of $25,000 and the issuance of 300,000 common shares to the optionor within 36 months, whereupon the Issuer will earn a further 25% interest in the mining claims. All common shares issuable under the Street Township Agreement would be issued on a post-consolidation basis.

20. As disclosed in the Information Circular, pursuant to the Exmin Transaction, the Issuer has paid $500,000 to Exmin to acquire a 10% carried interest in Exmin's Reina de Oro concession (the Interest) and an option (the Option) to purchase all of the shares of Exmin. Exmin has agreed use the $500,000 paid to it to perform certain exploration drilling on its properties. Upon review of the drilling results, the Issuer has 60 days to exercise the Option and, in the event that it does so, it will acquire all of the shares of Exmin (the Acquisition) in consideration of: (i) 12,000,000 common shares; (ii) 2,000,000 share purchase warrants exercisable for a period of five years to acquire 2,000,000 common shares at a price of $0.75 per share; and (iii) 2,000,000 share purchase warrants exercisable for a period of five years to acquire 2,000,000 common shares at a price of $1.00 per share, to be issued to Exmin's shareholders. In the event that the Issuer does not exercise the Option, it will retain the Interest, which shall convert into a working interest in the event that Exmin enters into an arm's length third party joint venture in respect of the Reina de Oro gold prospect. In the event that the Issuer exercises the Option, the completion of the Acquisition will be subject to the successful completion of a minimum $3,000,000 equity financing by the Issuer.

21. At the Meeting, the Issuer obtained shareholder approvals for the various steps involved in the Reorganization. In particular, shareholders approved the sale of the Issuer's assets pursuant to a management buy-out, the consolidation of the common shares, the Street Township Transaction and the Exmin Transaction.

22. In order to proceed with the Reorganization, it is necessary to obtain the revocation of the Cease Trade Order.

23. In connection with the completion of the Street Township Transaction and the Exmin Transaction and the Issuer's application to have trading in its common shares on the Exchange reinstated, the Issuer will comply with all applicable rules of the Exchange and will provide all required prospectus-level disclosure to its shareholders about the

Street Township Transaction and the Exmin Transaction.

24. Concurrent with the filing of this application with the Commission, the Issuer is applying to the British Columbia Securities Commission and the Alberta Securities Commission for orders revoking the BC Cease Trade Order and the Alberta Cease Trade Order, respectively

AND WHEREAS the Commission's power to make the Order has been assigned to the Director;

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 Cease Trade Order be revoked.

December 31, 2004.

"Iva Vranic"

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Revoke
Veritas Energy Services Inc.	06 Jan 05	18 Jan 05		
Veritas DGC Inc.	06 Jan 05	18 Jan 05		
Algonquin Oil & Gas Limited	16 Dec 04	29 Dec 04	29 Dec 04	
Ampal-American Israel Corporation	15 Dec 04	24 Dec 04	24 Dec 04	
Bakbone Software Incorporated	08 Dec 04	20 Dec 04	20 Dec 04	
Doman Industries Limited	10 Dec 04	22 Dec 04	22 Dec 04	

4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Straight Forward Marketing Corporation	18 Nov 04	01 Dec 04	01 Dec 04		
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Hollinger Canadian Newspapers, Limited Partnership	18 May 04	01 Jun 04	01 Jun 04		
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Hollinger International Inc.	18 May 04	01 Jun 04	01 Jun 04		
Nortel Networks Corporation	17 May 04	31 May 04	31 May 04		
Nortel Networks Limited	17 May 04	31 May 04	31 May 04		

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	Purchaser	Security	Total Purchase Price ($)	Number of Securities
07-Dec-2004	4 Purchasers	1939662 Ontario Inc. - Common Shares	0.83	82,599.00
20-Dec-2004	Ammar Al-joundi Kander Financial Corporation	2057149 Ontario Limited - Common Shares	50,000.00	200,000.00
21-Dec-2004	3 Purchasers	Acadian Gold Corporation - Flow-Through Shares	80,000.00	320,000.00
21-Dec-2004	3 Purchasers	Acadian Gold Corporation - Units	278,980.00	1,549,889.00
20-Dec-2004	John Cleminson	Acuity Pooled Canadian Equity Fund - Trust Units	150,000.00	6,208.00
14-Dec-2004	George Martyn	Acuity Pooled Canadian Small Cap Fund - Trust Units	50,000.00	2,551.00
14-Dec-2004 to 20-Dec-2004	6 Purchasers	Acuity Pooled Fixed Income Fund - Trust Units	400,000.00	22,535.00
14-Dec-2004 to 21-Dec-2004	24 Purchasers	Acuity Pooled High Income Fund - Trust Units	2,944,495.08	146,847.00
10-Dec-2004 to 14-Dec-2004	5 Purchasers	Acuity Pooled High Income Fund - Trust Units	1,090,302.69	55,627.00
15-Dec-2004 to 21-Dec-2004	3 Purchasers	Acuity Pooled Income Trust Fund - Trust Units	347,350.00	19,300.00
17-Dec-2004	Fusion Trust	ACE Canada - Notes	375,000,000.00	1.00
31-Jul-2004	Amarnath Resources Limited	Annapolis Investment Limited Partnership I - Units	500,000.00	50.00
16-Dec-2004	30 Purchasers	Anvil Mining Limited - Special Warrants	7,187,250.00	1,369,000.00
20-Dec-2004	New Millennium Venture Fund Inc.	Atsana Semiconductor Corp. - Promissory note	329,375.52	329,376.00
08-Dec-2004	Laurence Capital Fund II LP	Automated Benefits Corp. - Units	280,000.00	1,000,000.00
20-Dec-2004	1328132 Ontario Inc.	B-for-G Capital Inc. - Common Shares	249,999.00	4,294,795.00

20-Dec-2004	1328132 Ontario Inc.	B-for-G Capital Inc. - Preferred Shares	249,999.00	1,891,792.00
23-Dec-2004	42 Purchasers	Baffinland Iron Mines Corporation - Flow-Through Shares	8,389,375.00	3,000,000.00
24-Dec-2004	6 Purchasers	Band-Ore Resources Ltd. - Units	999,999.30	3,333,331.00
09-Dec-2004	59 Purchasers	Birchcliff Energy Ltd, - Subscription Receipts	23,044,200.00	7,681,400.00
16-Dec-2004	39 Purchasers	Brascan Power Corporation - Debentures	271,950,000.00	271,950,000.00
15-Dec-2004	4 Purchasers	Breakside Energy Ltd. - Common Shares	1,223,065.00	1,438,900.00
15-Dec-2004	8 Purchasers	Breakside Energy Ltd. - Flow-Through Shares	517,465.00	544,640.00
17-Dec-2004	Edgestone Capital Venture Fund Export Development Canada	Brightspark Ventures II, LP/Funds Brightspark II, s.e.c. - Limited Partnership Units	22,500,000.00	22,500,000.00
16-Dec-2004	7 Purchasers	Bulldog Energy Inc. - Common Shares	1,186,155.00	551,700.00
13-Oct-2004	CI Mutual Funds Soundvest Capital Management	B&G Foods Inc. - Shares	11,561,940.00	610,000.00
04-Nov-2003	13 Purchasers	Calloway Real Estate Investment Trust - Rights	0.00	4,194,742.00
16-Feb-2004	Wal-Mart Canada Realty Inc. & First Professional Realty Inc.	Calloway Real Estate Investment Trust - Rights	0.00	2,500,000.00
15-May-2004	Wal-Mart Canada Realty Inc. & First Professional Realty Inc.	Calloway Real Estate Investment Trust - Rights	0.00	1,150,000.00
04-Nov-2003	Sunrise Investments Limited	Calloway Real Estate Investment Trust - Units	31,005,250.00	3,100,525.00
17-Dec-2004	5 Purchasers	Canadian Golden Dragon Resources Ltd. - Flow-Through Shares	140,000.00	1,000,000.00
17-Dec-2004	7 Purchasers	Canadian Golden Dragon Resources Ltd. - Non-Flow-Though Shares	112,000.00	933,333.00
20-Dec-2004 to 23-Dec-2004	10 Purchasers	CanAlaska Ventures Ltd. - Units	1,230,000.00	3,075,000.00
22-Nov-2004	49 Purchasers	Candax Energy Inc. - Special Warrants	1,325,000.00	5,300,000.00
15-Dec-2004	Roytor & Co.	Capstone Gold Corp. - Units	212,500.00	250,000.00

07-Dec-2004	Wayne Goreski Rosemary & Robert Cooke	CareVest Blended Mortgage Investment Corporation - Preferred Shares	26,843.00	26,843.00
07-Dec-2004	10 Purchasers	CareVest First Mortgage Investment Corporation - Preferred Shares	655,514.00	655,514.00
07-Dec-2004	3 Purchasers	CareVest Second Mortgage Investment Corporation - Preferred Shares	85,000.00	85,000.00
29-Nov-2004 to 07-Dec-2004	Centaur Balanced	Centaur Balanced Fund - Units	29,255.01	2,880.00
29-Nov-2004 to 07-Dec-2004	Centaur Bond Fund	Centaur Bond Fund - Units	161,379.71	15,822.00
29-Nov-2004 to 07-Dec-2004	Centaur Canadian Equity	Centaur Canadian Equity - Units	162,771.65	1,728.00
29-Nov-2004 to 07-Dec-2004	Centaur International	Centaur International Fund - Units	2,416.38	303.00
29-Nov-2004 to 07-Dec-2004	Centaur Money Market	Centaur Money Market - Units	346,232.21	34,623.00
29-Nov-2004 to 07-Dec-2004	Centaur Small Cap	Centaur Small Cap - Units	161,175.99	246.00
29-Nov-2004 to 07-Dec-2004	Centaur US Equity	Centaur US Equity - Units	91,836.78	2,313.00
23-Dec-2004	16 Purchasers	Ceramic Protection Corporation - Common Shares	16,064,400.00	730,200.00
30-Nov-2004 Shares	Resolute Growth Fund	Clan Resources Ltd. - Common	1,950,000.00	1,300,000.00
24-Nov-2004	3 Purchasers	Coinmach Corporation - Units	12,730,292.00	790,000.00
13-Dec-2004	3 Purchasers	Contec Innovations Inc. - Units	46,000.00	287,500.00
21-Dec-2004	Y&R Investment Capital Inc.	Covalon Technologies Inc. - Common Shares	336,096.16	517,071.00
12-Dec-2004	Alexander Rudnick	Covalon Technologies Inc. - Units	12,187.50	18,750.00
30-Nov-2004	Excalibur Limited Partnership	Credit Suisse First Boston, New York Branch - Special Trust Securities	3,557,400.00	1.00
13-Dec-2004	Mavrix A/C 214	Cross Lake Minerals Ltd. - Units	405,000.00	2,250,000.00
21-Dec-2004	4 Purchasers	Defiant Resources Corporation - Common Shares	430,044.80	330,804.00

16-Dec-2004	3 Purchasers	Devine Entertainment Corporation - Units	875,000.00	35.00
13-Dec-2004	Ann Liscio	Dexior Financial Inc. - Preferred Shares	170,000.00	170,000.00
21-Dec-2004	Eid Youssef	Drumlin Energy Corp. - Flow-Through Shares	49,500.00	22,000.00
14-Dec-2004	6 Purchasers	Dynasty Metals & Mining Inc. - Units	517,000.00	470,000.00
15-Dec-2004	5 Purchasers	e-Radio USA, Inc. - Promissory note	120,000.00	5.00
21-Dec-2004	4 Purchasers	East West Resource Corporation - Common Shares	15,000.00	200,000.00
23-Dec-2004	MineralFields 2004 Limited Partnership	East West Resource Corporation - Flow-Through Shares	50,000.00	555,555.00
22-Dec-2004	7 Purchasers	East West Resource Corporation - Units	260,000.00	3,250,000.00
15-Dec-2004	5 Purchasers	Econo-Malls Limited Partnership #4 - Limited Partnership Interest	550,000.00	550,000.00
17-Dec-2004 to 22-Dec-2004	Front Street Canadian Hedge	EmergenSys Corporation - Special Warrants	39,375.00	39,375.00
17-Dec-2004	Wellington Financial Fund II	Environmental Management Solutions Inc. - Debentures	4,000,000.00	1.00
17-Dec-2004	Wellington Financial Fund II	Environmental Management Solutions Inc. - Special Warrants	0.00	1,333,334.00
15-Dec-2004	25 Purchasers	EquiGenesis 2004 Preferred Investment LP - Limited Partnership Interest	17,796,683.00	1,029.00
13-Dec-2004	6 Purchasers	EUROFIMA - Units	116,012,155.00	116,012,155.00
10-Dec-2004	3 Purchasers	Fairmount Energy Inc. - Flow-Through Shares	1,013,080.00	533,200.00
17-Dec-2004	4 Purchasers	Farallon Resources Ltd. - Units	1,736,000.00	2,476,998.00
21-Dec-2004	Marian Koziol Brenda Koziol	Forum Development Corp. - Units	24,000.00	150,000.00
14-Dec-2004	Jens Hansen Charles Pitchers	Forum Development Corp. - Units	26,000.00	173,333.00
20-Dec-2004 to 23-Dec-2004	9 Purchasers	Freegold Ventures Limited - Units	776,000.00	1,940,000.00
23-Dec-2004	6 Purchasers	Freewest Resources Canada Inc. - Common Share Purchase Warrant	500,000.00	2,380,952.00
16-Dec-2004	EdgeStone Capital Venture Fund of Funds;LP	Fund 321 Limited Partnership - Limited Partnership Units	10,000,000.00	10,000.00

07-Dec-2004	35 Purchasers	Genetic Diagnostics Inc. - Units	2,213,220.24	5,030,046.00
07-Jan-2004 to 21-Oct-2004	7 Purchasers	Goldman Sachs Mutual Funds - Shares	16,097,600.39	311,468.00
01-Dec-2004	3 Purchasers	Goldmarca Limited - Units	13,560.00	90,400.00
10-Nov-2004	45 Purchasers	Great Southern Enterprises Corp. - Units	450,000.00	2,229,000.00
10-Dec-2004	Longo Brothers Fruit Market Inc.	Grocery Gateway Inc. - Shares	6,200,000.00	1,000,000.00
23-Dec-2004	21 Purchasers	Groundstar Resources Limited - Units	745,500.00	4,970,000.00
01-Dec-2003 to 30-Nov-2004	95 Purchasers	Hillsdale Canadian Aggressive Hedged Equity Fund - Units	7,757,722.26	389,704.00
01-Dec-2003 to 30-Nov-2004	37 Purchasers	Hillsdale Canadian Market Neutral Equity Fund - Units	6,107,887.20	206,426.00
01-Dec-2003 to 30-Nov-2004	52 Purchasers	Hillsdale Canadian Performance Equity Fund - Units	4,322,624.22	84,894.00
01-Dec-2003 to 30-Nov-2004	6 Purchasers	Hillsdale US Aggressive Hedged Equity Fund - Units	484,989.23	41,069.00
10-Dec-2004	9 Purchasers	Hinterland Metals Inc. - Units	183,600.00	1,530,000.00
10-Dec-2004	6 Purchasers	Horizons Diversified Fund - Units	209,000.00	20,900.00
08-Dec-2004	6 Purchasers	HOLO-FX Inc. - Units	482,500.00	965,000.00
21-Dec-2004	34 Purchasers	HydraLogic Systems Inc. - Units	1,690,500.00	1,690,500.00
10-Dec-2004	4 Purchasers	Icon Industries Limited - Units	54,600.00	77,000.00
10-Dec-2004	8 Purchasers	IG Realty Investments Inc. - Common Shares	2,220,000.00	22,200.00
21-Dec-2004	27 Purchasers	Innova Exploration Ltd. - Common Shares	7,004,995.45	1,163,403.00
16-Dec-2004	New Generation Biotech (Equity) Fund Inc.	Insception Biosciences Inc. - Convertible Debentures	1,000,000.00	1.00
22-Dec-2004	4 Purchasers	Intrepid Minerals Corporation - Flow-Through Shares	117,250.50	156,334.00
15-Dec-2004	New Generation Biotech (Equity) Fund Inc.	Ionalytics Corporation - Debentures	1,100,000.00	1.00
31-Dec-2004	Dolly Varden Resources Inc.	Jumbo Development Corporation - Units	200,000.00	200,000.00
22-Dec-2004	EnergyFields 2004 Flow-Through LP	Kelso Energy Inc. - Common Shares	499,999.80	1,666,666.00

22-Dec-2004	12 Purchasers	Kirkland Lake Gold Inc. - Common Shares	805,206.00	134,201.00
10-Dec-2004	Marret Asset Management Inc.	MAAX Holdings, Inc. - Notes	592,716.78	750,000.00
01-Dec-2004	Royal Palm Investments Ltd.	MCAN Performance Strategies - Limited Partnership Units	400,000.00	3,765.00
01-Dec-2004	Royal Palm Investments Ltd.	MCAN Performance Strategies - Limited Partnership Units	6,098,997.00	59,083.00
01-Dec-2004	Royal Palm Investments Ltd.	MCAN Performance Strategies - Limited Partnership Units	400,000.00	3,710.00
01-Dec-2004	Royal Palm Investments Ltd.	MCAN Performance Strategies - Limited Partnership Units	6,195,025.86	59,134.00
13-Dec-2004	3 Purchasers	Megawheels Technologies Inc. - Preferred Shares	120,259.56	1,002,163.00
14-Dec-2004	The VenGrowth II Investment Fund Inc.	Meriton Networks Canada Inc. - Promissory note	984,147.25	984,147.00
14-Dec-2004	4 Purchasers	Meriton Networks Inc. - Convertible Debentures	553,090.78	553,091.00
20-Dec-2004	Eric Cunningham Jens Hansen	Midway Gold Corp. - Units	25,500.00	30,000.00
03-Dec-2004	25 Purchasers	Millennium Biologix Inc. - Common Shares	14,000,019.00	5,090,916.00
23-Dec-2004	5 Purchasers	Mint Technology Corp. - Units	750,000.00	1,250,000.00
20-Dec-2004	TMI Communications Delaware; LP	Mobile Satellite Ventures LP - Rights	0.00	5,073,715.00
23-Dec-2004	Queen's University Pooled Endowment Funds	National Bank of Canada - Notes	4,000,000.00	4,000,000.00
14-Dec-2004	4 Purchasers	Necho Systems Corp. - Debentures	2,000,000.00	2,000,000.00
06-Dec-2004	8 Purchasers	Nemi Northern Energy & Mining Inc. - Flow-Through Shares	2,000,000.00	1,000,000.00
06-Dec-2004	46 Purchasers	Nemi Northern Energy & Mining Inc. - Units	13,748,875.00	7,856,500.00
22-Nov-2004 to 15-Dec-2004	39 Purchasers	New Hudson Television Corp. - Shares	162,900.00	54,300.00
31-Dec-2003	10 Purchasers	Newport Alternative Income Fund - Units	539,999.76	536.00
31-Jan-2004	31 Purchasers	Newport Alternative Income Fund - Units	1,634,418.80	1,616.00
29-Feb-2004	31 Purchasers	Newport Alternative Income Fund - Units	1,430,991.16	1,425.00

31-Mar-2004	15 Purchasers	Newport Alternative Income Fund - Units	550,005.10	546.00
30-Apr-2004	5 Purchasers	Newport Alternative Income Fund - Units	441,997.29	430.00
31-May-2004	38 Purchasers	Newport Alternative Income Fund - Units	1,736,998.75	1,706.00
30-Jun-2004	Denis Beauchesne Pro Dentistry Gegs & Tricia Jones	Newport Alternative Income Fund - Units	29,997.41	31.00
31-Jul-2004	Georgina Black R & L Hollander	Newport Alternative Income Fund - Units	119,345.91	119.00
31-Aug-2004	9 Purchasers	Newport Alternative Income Fund - Units	245,753.27	238.00
30-Sep-2004	8 Purchasers	Newport Alternative Income Fund - Units	290,998.48	282.00
31-Oct-2004	5 Purchasers	Newport Alternative Income Fund - Units	663,003.08	646.00
30-Nov-2004	5 Purchasers	Newport Alternative Income Fund - Units	194,000.34	196.00
21-Dec-2004	3 Purchasers	Nomis Power Corp. - Flow-Through Shares	2,500,000.00	1,250,000.00
21-Dec-2004	Canadian Dominion Resource LP CMP 2003 Resource LP	Nomis Power Corp. - Units	1,500,000.00	1,000,000.00
21-Dec-2004	John Grinton	Nordic Oil and Gas Ltd. - Units	10,120.00	23,000.00
23-Dec-2004	6 Purchasers	NordTech Aerospace Inc. - Subscription Receipts	1,526,266.12	4,489,018.00
07-Dec-2004 to 16-Dec-2004	5 Purchasers	Normabec Mining Resources Inc. - Flow-Through Shares	240,000.00	1,333,334.00
15-Dec-2004	36 Purchasers	Northern Sun Exploration Company Inc. - Flow-Through Shares	2,318,549.60	4,915,546.00
15-Dec-2004	20 Purchasers	Northern Sun Exploration Company Inc. - Non-Flow-Though Shares	2,616,000.00	5,232,000.00
23-Dec-2004	4 Purchasers	Nuinsco Resources Limited - Flow-Through Shares	115,000.00	460,000.00
23-Dec-2004	7 Purchasers	Nuinsco Resources Limited - Units	600,000.00	3,000,000.00
24-Dec-2004	John Cleminson	O'Donnell Emerging Companies Fund - Units	49,500.00	5,642.00
24-Dec-2004	Jeannette L. Arsenault Denise Chen	Orbus Pharma Inc. - Units	200,000.00	200.00
08-Dec-2004	7 Purchasers	Ozz Corporation - Common Shares	74,146.28	142,589.00

08-Dec-2004	7 Purchasers	Ozz Corporation - Units	180,253.00	180,253.00
20-Dec-2004	41 Purchasers	Parkbridge Lifestyle Communities Inc. - Common Shares	26,077,590.00	7,902,300.00
17-Dec-2004 to 22-Dec-2004	Front Street Canadian Hedge	Peru Copper Inc. - Special Warrants	60,420.00	57,000.00
14-Dec-2004	12 Purchasers	PharmEng Technology Inc. - Units	475,004.25	1,055,565.00
15-Dec-2004	4 Purchasers	Raven Energy Ltd. - Common Shares	212,500.00	125,000.00
24-Dec-2004	Nursing Homes and Related Industries Pension Plan	Real Assets US Social Equity Index Fund - Units	855.81	117.00
22-Dec-2004	Dundee Precious Metals Inc.	Red Back Mining Inc. - Common Shares	10,000,000.20	5,263,158.00
15-Dec-2003	Fred Bastable Sheldon Inwentash	Redhawk Resources, Inc. - Units	34,500.00	115,000.00
07-Dec-2004	Redwood Long/Short Canadian Growth Fund	Rifco Inc. - Units	463,100.00	617,467.00
09-Dec-2004	Ann Erdman Mavrix A/C 214	Rosetta Exploration Inc. - Common Shares	755,025.00	1,006,700.00
21-Dec-2004	Aegon Capital Management The Bank of Nova Scotia	Rothmans,Benson & Hedges Inc. - Bonds	40,000,000.00	40,000,000.00
21-Dec-2004	The Bank of Nova Scotia	Royalty Fund II - Trust Units	626,806.13	13,750.00
23-Dec-2004	12 Purchasers	Rubicon Minerals Corporation - Common Shares	681,520.00	486,800.00
02-Dec-2004	Wolfden Resources Inc.	Sabina Resources Limited - Common Shares	180,000.00	200,000.00
17-Dec-2004	Leschuk Enterprises Inc. Don Lenaghan	Securex Master Limited Partnership - Convertible Debentures	75,000.00	75.00
07-Dec-2004	Harry Geoffrey Wateman	Silverwing Energy Inc. - Flow-Through Shares	5,850.00	2,600.00
15-Dec-2004	Inco Limited	Skye Resources Inc. - Common Shares	6,155,209.26	1,888,101.00
15-Dec-2004	Inco Limited	Skye Resources Inc. - Warrants	2,037.63	203,763.00
17-Dec-2004	Brascan Technology Fund	Softroute Corporation - Common Share Purchase Warrant	10.00	500,000.00
17-Dec-2004	Brascan Technology Fund	Softroute Corporation - Convertible Debentures	2,000,000.00	2,000,000.00
15-Dec-2004	15 Purchasers	Spring 2004-1 Income Fund - Units	2,037,750.00	313,500.00
29-Nov-2004 to 02-Dec-2004	Charles Workman NCE Diversified Flow-Through (04) LP	Starfield Resources Inc. - Flow-Through Shares	599,265.00	1,331,700.00

17-Dec-2004	9 Purchasers	Storm Cat Energy Corporation - Units	341,250.00	273,000.00
15-Dec-2004	3 Purchasers	Tanqueray Resources Ltd. - Flow-Through Shares	64,000.00	160,000.00
15-Dec-2004	4 Purchasers	Tanqueray Resources Ltd. - Units	42,000.00	120,000.00
21-Dec-2004	David Odell Paul O'Shea	The Data Group Income Fund - Units	478,230.00	47,823.00
19-Dec-2004	10 Purchasers	The Jenex Corporation - Units	130,000.00	650,000.00
27-Aug-2004	Steel Investments Ltd.	Trez Capital Corporation - Mortgage	100,000.00	100,000.00
23-Dec-2004	10 Purchasers	Twin Mining Corporation - Units	1,788,600.00	8,130,000.00
23-Dec-2004	3 Purchasers	Twin Mining Corporation - Warrants	365,501.28	1,589,136.00
16-Nov-2004	Sun Life Assurance Company of Canada	University of Ontario Institute of Technology - Debentures	18,630,980.00	18,500,000.00
09-Dec-2004	41 Purchasers	Uranium City Resources Inc, - Special Warrants	542,500.00	2,170,000.00
30-Nov-2004	27 Purchasers	Vertex Fund - Trust Units	1,021,490.22	99,331.00
16-Dec-2004	8 Purchasers	Wescan Goldfields Inc. - Flow-Through Shares	91,800.00	306,000.00
16-Dec-2004	Henry Choi Kenneth G. Walker	Wescan Goldfields Inc. - Units	25,000.00	100,000.00
20-Dec-2004	12 Purchasers	West Energy Ltd. - Common Shares	5,592,400.00	1,271,000.00
22-Dec-2004	8 Purchasers	Young-Shannon Gold Mines, Limited - Flow-Through Shares	360,500.01	2,773,077.00
22-Dec-2004	19 Purchasers	Young-Shannon Gold Mines, Limited - Units	300,000.00	3,000,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Boardwalk Real Estate Investment Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 7, 2005
Mutual Reliance Review System Receipt dated January 10, 2005
Offering Price and Description:
$120,000,000.00 - * % SERIES A SENIOR UNSECURED DEBENTURES DUE JANUARY * , 2012 Price: * % plus accrued interest, if any
Underwriter(s) or Distributor(s):
National Bank Finanical Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #727987

Issuer Name:
Black Point Capital Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated December 23, 2004
Mutual Reliance Review System Receipt dated December 29, 2004
Offering Price and Description:
A minimum of 10,000,000 Units and maximum of 20,000,000 Units at a price of $0.25 per Unit
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
First Associates Investments Inc.
Jennings Capital Inc.
Promoter(s):
-
Project #725486

Issuer Name:
Cutwater Capital Corporation
Principal Regulator - Ontario
Type and Date:
Second and Third Amended and Restated Preliminary CPC Prospectus dated January 5, 2005
Mutual Reliance Review System Receipt dated January 6, 2005
Offering Price and Description:
$810,000.00 - 5,400,000 Common Shares Price: $0.15 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Richard D. McGraw
Project #704702

Issuer Name:
EnerVest Diversified Income Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 5, 2005
Mutual Reliance Review System Receipt dated January 5, 2005
Offering Price and Description:
Offering of Rights to Subscribe for Units Subscription Price: Five Rights and $* per Unit The Subscription Price is * % of the net asset value per Unit on January *, 2005
Underwriter(s) or Distributor(s):
GMP Securities Ltd.
Promoter(s):
-
Project #727383

Issuer Name:
Fairfax Financial Holdings Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated January 6, 2005
Mutual Reliance Review System Receipt dated January 11, 2005
Offering Price and Description:
US$750,000,000.00 - Subordinate Voting Shares Preferred Shares Debt Securities Warrants
Share Purchase Contracts Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #728339

Issuer Name:
Honeybee Technology Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated December 23, 2004
Mutual Reliance Review System Receipt dated December 29, 2004
Offering Price and Description:
Minimum Offering: * Common Shares ($*); Maximum Offering: * Common Shares ($ *) Price: $ * per share
Underwriter(s) or Distributor(s):
Investpro Securities Inc.
Promoter(s):
Jeffrey A. Klein
Project #725417

Issuer Name:
International Royalty Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 5, 2005
Mutual Reliance Review System Receipt dated January 5, 2005
Offering Price and Description:
$ * (Maximum Offering) - $ * (Minimum Offering); A Maximum of * and a Minimum of * Common Shares Price: $ * per Offered Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
GMP Securities Ltd.
Canaccord Capital Corporation
Salman Partners Inc.
Raymond James Ltd.
Bolder Investment Partners, Ltd.
Promoter(s):
Douglas B. Silver
Project #727186

Issuer Name:
MCL Capital Inc.
Principal Regulator - Ontario
Type and Date:
Second and Third Amended and Restated Preliminary CPC Prospectus dated January 5, 2005
Mutual Reliance Review System Receipt dated January 6, 2005
Offering Price and Description:
$810,000.00 - 5,400,000 Common Shares Price: $0.15 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Richard D. McGraw
Project #704693

Issuer Name:
Northwater Top 75 Income Trusts PLUS
Principal Regulator - Ontario
Type and Date:
Preliminary, Amended and Restated Preliminary Prospectus dated January 6, 2005
Mutual Reliance Review System Receipt dated January 7, 2005
Offering Price and Description:
$ * - * Units Price $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
Raymond James Ltd.
Promoter(s):
Northwater Fund Management Inc.
Project #726579

Issuer Name:
Novelis Inc.
Principal Regulator - Quebec
Type and Date:
Fourth Amended Non-Offering Preliminary Prospectus dated January 4, 2005
Mutual Reliance Review System Receipt dated January 5, 2005
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
Travis Engen
Geoffery E. Merszei
Project #693181

Issuer Name:
Stonecliffe Capital Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary CPC Prospectus dated January 7, 2005
Mutual Reliance Review System Receipt dated January 10, 2005
Offering Price and Description:
$400,000.00 - 2,000,000 Common Shares Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Wolverton Securities Ltd.
Promoter(s):
Keith G. Prosser
Project #728150

Issuer Name:
Trimac Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated January 7, 2005
Mutual Reliance Review System Receipt dated January 10, 2005
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
RBC Dominion Securities Inc.
Sprott Securities Inc.
Promoter(s):
Trimac Transportation Services Inc.
Project #728005

Issuer Name:
Taos Capital Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary CPC Prospectus dated December 30, 2004
Mutual Reliance Review System Receipt dated December 30, 2004
Offering Price and Description:
Minimum Offering: $750,000.00 or 3,750,000 Class A Common Shares; Maximum Offering: $1,250,000.00 or 6,250,000 Class A Common Shares Price: $0.20 per Common Share Minimum Subscription: $1,000.00 or 5,000 Common Shares
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Louis G. Plourde
Project #726156

Issuer Name:
Versacold Income Fund
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 7, 2005
Mutual Reliance Review System Receipt dated January 7, 2005
Offering Price and Description:
$30,000,000.00 - 6.25% Convertible Unsecured Subordinated Debentures Price: $1,000.00 per Debenture
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Raymond James Ltd
Promoter(s):
-
Project #727911

Issuer Name:
AGF Aggressive Global Stock Fund
AGF Aggressive Growth Fund
AGF Aggressive Japan Class
AGF American Growth Class
AGF Asian Growth Class
AGF Canada Class
AGF Canadian Balanced Fund
AGF Canadian Bond Fund
AGF Canadian Conservative Income Fund
AGF Canadian Growth Equity Fund Limited
AGF Canadian Large Cap Dividend Fund
AGF Canadian Money Market Fund
AGF Canadian Real Value Balanced Fund (formerly, AGF Canadian Tactical Asset Allocation Fund)
AGF Canadian Real Value Fund (formerly, AGF Canadian Value Fund)
AGF Canadian Resources Fund Limited
AGF Canadian Small Cap Fund (formerly, AGF Canadian Aggressive All-Cap Fund)
AGF Canadian Stock Fund
AGF Canadian Total Return Bond Fund
AGF China Focus Class
AGF Emerging Markets Value Fund
AGF European Equity Class
AGF Germany Class
AGF Global Equity Class
AGF Global Financial Services Class
AGF Global Government Bond Fund
AGF Global Health Sciences Class
AGF Global Real Estate Equity Class
AGF Global Resources Class
AGF Global Technology Class
AGF Global Total Return Bond Fund
AGF International Stock Class
AGF International Value Class
AGF International Value Fund
AGF Japan Class
AGF MultiManager Class
AGF Precious Metals Fund
AGF RSP American Growth Fund
AGF RSP European Equity Fund
AGF RSP Global Bond Fund
AGF RSP International Value Fund
AGF RSP Japan Fund
AGF RSP MultiManager Fund
AGF RSP World Balanced Fund (formerly, AGF RSP American Tactical Asset Allocation Fund)
AGF RSP World Companies Fund
AGF Short-Term Income Class
AGF Special U.S. Class
AGF U.S. Dollar Money Market Account
AGF U.S. Value Class
AGF World Balanced Fund (formerly, AGF American Tactical Asset Allocation Fund)
AGF World Companies Fund
AGF World Opportunities Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 22, 2004 to Final Simplified Prospectuses and Annual Information Forms dated April 7, 2004

Mutual Reliance Review System Receipt dated January 6, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
-
Project #616160

Issuer Name:
Agtech Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 30, 2004
Mutual Reliance Review System Receipt dated January 7, 2005
Offering Price and Description:

$5,000,000.00 - (1,000,000 Units) PRICE: $5.00 PER UNIT
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #663352

Issuer Name:
AIC Advantage Fund
AIC Advantage Fund II
AIC American Advantage Fund
AIC RSP American Advantage Fund
AIC Global Advantage Fund
AIC RSP Global Advantage Fund
AIC Diversified Canada Fund
AIC Value Fund
AIC RSP Value Fund
AIC World Equity Fund
AIC RSP World Equity Fund
AIC Global Diversified Fund
AIC RSP Global Diversified Fund
AIC Diversified Science & Technology Fund
AIC RSP Diversified Science & Technology Fund
AIC Canadian Focused Fund
AIC American Focused Fund
AIC RSP American Focused Fund
AIC Canadian Balanced Fund
AIC American Balanced Fund
AIC RSP American Balanced Fund
AIC Global Balanced Fund
AIC RSP Global Balanced Fund
AIC Dividend Income Fund
AIC Bond Fund
AIC Global Bond Fund
AIC Money Market Fund
AIC U.S. Money Market Fund

- and -

AIC Fixed Income Portfolio Fund
AIC Diversified Income Portfolio Fund
AIC Balanced Income Portfolio Fund
AIC Balanced Growth Portfolio Fund
AIC Core Growth Portfolio Fund
AIC Long-Term Growth Portfolio Fund
Principal Regulator - Ontario
Type and Date:
Amendment No. 1 dated December 22nd, 2004 to the Amended and Restated Annual Information Forms dated August 17, 2004, amending and restating the Annual Information Forms dated July 27th, 2004.
Mutual Reliance Review System Receipt dated January 11, 2005
Offering Price and Description:
Mutual Fund Units and Class F Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIC Limited
Project #658659

Issuer Name:
AIC Advantage II Corporate Class
AIC American Advantage Corporate Class
AIC Global Advantage Corporate Class
AIC Diversified Canada Corporate Class
AIC Value Corporate Class
AIC World Equity Corporate Class
AIC Global Diversified Corporate Class
AIC Diversified Science & Technology Corporate Class
AIC Canadian Focused Corporate Class
AIC American Focused Corporate Class
AIC Canadian Balanced Corporate Class
AIC American Balanced Corporate Class
AIC Total Yield Corporate Class
AIC Money Market Corporate Class
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 22, 2004 to Annual Information Forms dated March 25, 2004
Mutual Reliance Review System Receipt dated January 11, 2005
Offering Price and Description:
Mutual Fund Shares and Class F Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #614671

Issuer Name:
AIC Private Portfolio Counsel Canadian Pool
AIC Private Portfolio Counsel Global Pool
AIC Private Portfolio Counsel RSP Global Pool
AIC Private Portfolio Counsel Bond Pool
AIC Private Portfolio Counsel Income Pool
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 22, 2004 to Final Annual Information Forms dated February 10, 2004
Mutual Reliance Review System Receipt dated January 11, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIC Limited
Project #601652

Issuer Name:
Altruista Fund Inc.
Type and Date:
Final Prospectus dated January 5, 2005
Receipted on January 5, 2005
Offering Price and Description:
Class A Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Altruista Inc.
Project #724808

Issuer Name:
BPI American Equity Fund
BPI American Equity RSP Fund
BPI American Equity Sector Fund
BPI Global Equity Fund
BPI Global Equity RSP Fund
BPI Global Equity Sector Fund
BPI International Equity Fund
BPI International Equity RSP Fund
BPI International Equity Sector Fund
CI American Managers ™ Sector Fund
CI American Managers ™ RSP Fund
CI American Small Companies Fund
CI American Small Companies RSP Fund
CI American Small Companies Sector Fund
CI American Value Fund
CI American Value Sector Fund
CI American Value RSP Fund
CI Asian Dynasty Fund
CI Canadian Investment Fund
CI Canadian Investment Sector Fund
CI Canadian Small Cap Fund
CI Emerging Markets Fund
CI Emerging Markets RSP Fund
CI Emerging Markets Sector Fund
CI European Fund
CI European RSP Fund
CI European Sector Fund
CI Explorer Fund
CI Explorer Sector Fund
CI Global Fund
CI Global RSP Fund
CI Global Sector Fund
CI Global Biotechnology Sector Fund
CI Global Biotechnology RSP Fund
CI Global Consumer Products Sector Fund
CI Global Consumer Products RSP Fund
CI Global Energy Sector Fund
CI Global Energy RSP Fund
CI Global Financial Services Sector Fund
CI Global Financial Services RSP Fund
CI Global Health Sciences Sector Fund
CI Global Health Sciences RSP Fund
CI Global Managers® Sector Fund
CI Global Managers® RSP Fund
CI Global Small Companies Fund
CI Global Small Companies RSP Fund
CI Global Small Companies Sector Fund
CI Global Science & Technology Sector Fund
CI Global Science & Technology RSP Fund
CI Global Value Fund
CI Global Value RSP Fund
CI Global Value Sector Fund
CI International Fund
CI International RSP Fund
CI International Sector Fund
CI International Value Fund
CI International Value RSP Fund
CI International Value Sector Fund
CI Japanese Sector Fund
CI Japanese RSP Fund
CI Pacific Fund
CI Pacific RSP Fund
CI Pacific Sector Fund
CI Value Trust Sector Fund
CI Value Trust RSP Fund
Harbour Fund
Harbour Sector Fund
Harbour Foreign Equity Sector Fund
Harbour Foreign Equity RSP Fund
Signature Canadian Resource Fund
Signature Canadian Resource Sector Fund
Signature Canadian Small Cap Class
Signature Select Canadian Fund
Signature Select Canadian Sector Fund
Synergy American Fund
Synergy American RSP Fund
Synergy American Sector Fund
Synergy Canadian Class
Synergy Canadian Sector Fund
Synergy Canadian Style Management Class
Synergy Canadian Value Class
Synergy Extreme Canadian Equity Fund
Synergy Extreme Global Equity Fund
Synergy Extreme Global Equity RSP Fund
Synergy Global RSP Fund
Synergy Global Sector Fund
Synergy Global Style Management RSP Fund
Synergy Global Style Management Sector Fund
CI Canadian Asset Allocation Fund
CI Global Boomernomics® Sector Fund
CI Global Boomernomics® RSP Fund
CI International Balanced Fund
CI International Balanced RSP Fund
CI International Balanced Sector Fund
Harbour Foreign Growth & Income Sector Fund
Harbour Foreign Growth & Income RSP Fund
Harbour Growth & Income Fund
Signature Canadian Balanced Fund
Signature Canadian Income Fund
Signature Income & Growth Fund
Synergy Tactical Asset Allocation Fund
CI Canadian Bond Fund
CI Canadian Bond Sector Fund
CI Short-Term Bond Fund
CI Long-Term Bond Fund
CI Money Market Fund
CI US Money Market Fund
CI Short-Term Sector Fund
CI Short-Term US$ Sector Fund
CI Global Bond Fund
CI Global Bond RSP Fund
CI Global Bond Sector Fund
Signature Corporate Bond Fund
Signature Corporate Bond Sector Fund
Signature Dividend Fund
Signature Dividend Sector Fund
Signature High Income Fund
Signature High Income Sector Fund
Synergy Canadian Short-Term Income Class
CI Canadian Income Portfolio
CI Canadian Conservative Portfolio
CI Canadian Balanced Portfolio
CI Canadian Growth Portfolio
CI Canadian Maximum Growth Portfolio

CI Global Conservative Portfolio
CI Global Conservative RSP Portfolio
CI Global Balanced Portfolio
CI Global Balanced RSP Portfolio
CI Global Growth Portfolio
CI Global Growth RSP Portfolio
CI Global Maximum Growth Portfolio
CI Global Maximum Growth RSP Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #5 dated December 22, 2004 to Final Annual Information Forms dated July 23, 2004
Mutual Reliance Review System Receipt dated January 7, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Mutual Funds Inc.
Project #665295

Issuer Name:
Canadian Science and Technology Growth Fund Inc.

Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 30, 2004 to Final Prospectus dated December 20, 2004
Mutual Reliance Review System Receipt dated January 7, 2005
Offering Price and Description:
Class A Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #711703

Issuer Name:
Capital Alliance Ventures Inc.
Type and Date:
Amendment #1 dated December 30, 2004 to Final Prospectus dated October 27, 2004
Receipted on January 5, 2005
Offering Price and Description:
Class A Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #692398

Issuer Name:
Clarica Premier Mortgage Fund
Clarica Premier Bond Fund
Clarica Summit Growth and Income Fund
Clarica Canadian Equity Fund
Clarica Canadian Blue Chip Fund
Clarica Canadian Diversified Fund
Clarica Summit Canadian Equity Fund
Clarica Summit Dividend Growth Fund
Clarica Summit Foreign Equity Fund
Clarica Premier International Fund
Clarica Alpine Growth Equity Fund
Clarica Canadian Small/Mid Cap Fund
Clarica US Small Cap Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated December 22, 2004 to Final Annual Information Forms dated July 15, 2004
Mutual Reliance Review System Receipt dated January 7, 2005
Offering Price and Description:
Mutual Fund Units at Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Mutual Funds Inc.
Project #659955

Issuer Name:
Connors Bros. Income Fund
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated January 6, 2005
Mutual Reliance Review System Receipt dated January 7, 2005
Offering Price and Description:
$110,070,000.00 - 6,115,000 Units Price: $18.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
-
Project #724963

Issuer Name:
Covington Strategic Capital Fund Inc.
Type and Date:
Final Prospectus dated January 4, 2005
Receipted on January 5, 2005
Offering Price and Description:
Class A Shares, Series I and Class A Shares, Series II
Underwriter(s) or Distributor(s):
-
Promoter(s):
Covington Capital Corporation
Project #719861

Issuer Name:
E2 Venture Fund Inc.
Type and Date:
Final Prospectus dated January 10, 2005
Receipted on January 11, 2005
Offering Price and Description:
Class A Shares, Series II and Class A Shares, Series III
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #711590

Issuer Name:
Great Canadian Gaming Corporation
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated January 5, 2005
Mutual Reliance Review System Receipt dated January 5, 2005
Offering Price and Description:
$62,250,000.00 - 1,500,000 Common Shares Price: $41.50 per OÅered Share
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
GMP Securities Ltd.
TD Securities Inc.
Pacific International Securities Inc.
Dlouhy Merchant Group Inc.
Harris Partners Limited
Promoter(s):
-
Project #724717

Issuer Name:
GrowthWorks Canadian Fund Ltd. (fomerly GrowthWorks WV Canadian Fund Inc.)
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated December 24, 2004
Mutual Reliance Review System Receipt dated January 5, 2005
Offering Price and Description:
Class A Shares
Underwriter(s) or Distributor(s):
GrowthWorks Capital Ltd.
Promoter(s):
GrowthWorks WV Management Ltd.
Project #701638

Issuer Name:
Mackenzie Cundill Canadian Balanced Fund
Mackenzie Cundill Canadian Security Fund
Mackenzie Growth Fund
Mackenzie Ivy Canadian Fund
Mackenzie Ivy Enterprise Fund
Mackenzie Ivy Growth and Income Fund
Mackenzie Maxxum Dividend Fund
Mackenzie Maxxum Dividend Growth Fund
Mackenzie Sentinel Bond Fund
Mackenzie Sentinel Corporate Bond Fund
Mackenzie Sentinel Income Fund
Mackenzie Sentinel Real Return Bond Fund
Mackenzie Sentinel Short-Term Bond Fund
Mackenzie Universal Canadian Balanced Fund
Mackenzie Universal Canadian Growth Fund
Mackenzie Universal Canadian Resource Fund
Mackenzie Universal Future Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 24, 2004 to Final Simplified Prospectuses and Annual Information Forms dated December 9, 2004
Mutual Reliance Review System Receipt dated January 6, 2005
Offering Price and Description:
Series A, B, C, D, F, I, M, O and T Units
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Promoter(s):
Mackenzie Financial Corporation
Project #699699

Issuer Name:
Mackenzie Ivy Foreign Equity Fund
Mackenzie Cundill Recovery Fund
Mackenzie Cundill Value Fund
Mackenzie Cundill Global Balanced Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 24, 2004 to Final Simplified Prospectuses and Annual Information Forms dated December 10, 2004
Mutual Reliance Review System Receipt dated January 6, 2005
Offering Price and Description:
Series A, C, D, F, I, O and T Units
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Promoter(s):
Mackenzie Financial Corporation
Project #706189

Issuer Name:
Marifil Mines Limited
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated December 29, 2004
Mutual Reliance Review System Receipt dated January 5, 2005
Offering Price and Description:
Maximum Offering of $3,000,000.00 (6,000,000 Units) and Minimum Offering of $2,000,000.00 (4,000,000 Units)
Price: $0.50 per Unit
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
John Hite
Project #687166

Issuer Name:
Northwest Specialty Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 20, 2004 to Final Simplified Prospectus and Annual Information Form dated June 4, 2004
Mutual Reliance Review System Receipt dated January 7, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Desjardins Trust Investment Services Inc.
Desjardins Trust
Desjardins Trust Inc.
Northwest Mutual Funds Inc.
Promoter(s):
Northwest Mutual Funds Inc.
Project #637463

Issuer Name:
RBC Blue Chip Canadian Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 30, 2004 to Final Annual Information Form dated July 29, 2004
Mutual Reliance Review System Receipt dated January 7, 2005
Offering Price and Description:
Advisor and F Series Units
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
RBC Asset Management Inc.
RBC Asset Management Inc.
Promoter(s):
RBC Asset Management Inc.
Project #663699

Issuer Name:
RBC Private Dividend Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 30, 2004 to Final Annual Information Form dated August 18, 2004
Mutual Reliance Review System Receipt dated January 7, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
RBC Asset Management Inc.
RBC Asset Management Inc.
The Royal Trust Company
Promoter(s):
RBC Asset Management Inc.
Project #667509

Issuer Name:
RBC Dividend Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 30, 2004 to Final Annual Information Form dated July 15, 2004
Mutual Reliance Review System Receipt dated January 7, 2005
Offering Price and Description:
Series A and F Units
Underwriter(s) or Distributor(s):
Royal Mutual Funds Inc.
RBC Asset Management Inc.
RBC Asset Management Inc.
RBC Dominion Securities Inc.
Promoter(s):
RBC Asset Management Inc.
Project #657662

Issuer Name:
RESOLUTE GROWTH FUND
Principal Regulator - Ontario
Type and Date:
Amended and Restated Simplified Prospectus and Annual Information Form dated December 23, 2004, Amending and Restating the Simplified Prospectus and Annual Information Form dated July 12, 2004
Mutual Reliance Review System Receipt dated January 6, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
First Associates Investments Inc.
Promoter(s):
Resolute Funds Limited
Project #659677

Issuer Name:
Sceptre Global Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated December 21, 2004 to Simplified Prospectus and Annual Information Form dated August 18, 2004
Mutual Reliance Review System Receipt dated January 6, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Sceptre Investment Counsel Limited
Promoter(s):
Sceptre Investment Counsel Limited
Project #667636

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Palisade Capital Management Ltd.	Limited Market Dealer	January 5, 2005
New Registration	Network Portfolio Management Inc.	Extra-Provincial Investment Counsel & Portfolio Manager	January 5, 2005
New Registration	Macquarie Capital Partners LLC	International Dealer	January 6, 2005
New Registration	Sunrise Securities Corp.	Limited Market Dealer	January 10, 2005

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 RS Market Integrity Notice – Notice of Amendment Approval – Provisions Respecting Practice and Procedure

January 14, 2005 No. 2005-002

NOTICE OF AMENDMENT APPROVAL

PRACTICE AND PROCEDURE

Summary

Effective January 14, 2005, the Alberta Securities Commission, British Columbia Securities Commission, Manitoba Securities Commission, Ontario Securities Commission and, in Quebec, the Autorité des marchés financiers (the "Recognizing Regulators") approved a series of amendments to the Policies to the Universal Market Integrity Rules ("UMIR") respecting the practice and procedure to be followed in a disciplinary proceeding. These amendments are generally of an administrative, editorial or technical nature.

Summary of Revisions to the Original Proposal

Based on comments received in response to the Request for Comment contained in Market Integrity Notice 2004-013 issued on April 30, 2004 and based on comments received from the Recognizing Regulators, RS revised the text of the amendments to:

- clarify that section 8.1 deals with procedural aspects of disclosure rather than establishing or affecting the substance of the disclosure to be made by any party;
- clarify that the disclosure of material related to the approval of a Settlement Agreement by a Hearing Panel in Quebec under section 9.7 is subject to any order limiting public access to the hearing or the publication of information or documents;
- provide that the Chair of a Hearing Panel must be "independent" and may not be a current or former director, officer, partner or employee of a Participant or Access Person; and
- make a number of minor editorial change to the drafting of the provisions.

Summary of the Amendments

Policy 10.8 of UMIR sets out the practice and procedure to be followed in connection with enforcement proceedings. The material changes to each of the sections as a result of the amendments are summarized as follows:

1. Section 1.1 – Definitions

Under Policy 10.8, the Secretary has a number of obligations including:

(a) the selection of the members of Hearing Panels from the members of the Hearing Committee (the members of the Hearing Committee having been nominated by the marketplaces and appointed by the independent members of the Board of Directors of RS);

(b) receipt of requests to have hearing conducted in the French language;

(c) receipt of documents required to be filed with the Hearing Panels pursuant to the Policy;

(d) receipt of material filed with the Hearing Panels relating to a Notice of Motion; and

(e) providing notice of pre-hearing conferences to the parties and to other persons as directed by the Hearing Panels.

In addition to the duties specifically enumerated in Policy 10.8, the Secretary conducts a variety of administrative tasks on behalf of Hearing Panels including the co-ordination of the delivery of notices, providing for communications with parties on behalf of Hearing Panels and other similar tasks.

Prior to the amendments, the term "Secretary" was defined as "the Secretary of the Market Regulator or other officer or employee of the Market Regulator designated by the Board to perform the functions of the Secretary for the purposes of this Policy". That wording required the Secretary to carry out a variety of tasks, many of which are administrative in nature. The change in the definition allows the Secretary to delegate certain responsibilities of the Secretary to RS staff. This change will provide operational efficiency, allowing for the delegation of tasks by the Secretary to appropriate administrative or other personnel. The amendment permits an officer or employee designated in writing from time to time by the Secretary to perform such of the functions of the Secretary for the purposes of Policy 10.8 pursuant to the UMIR as may be specified in the designation by the Secretary.

2. Section 3.2 – Contents of Offer of Settlement

Prior to the amendment, section 3.2 specified that an Offer of Settlement must contain, among other items, a specification of the penalties or remedies to be imposed by the Market Regulator pursuant to Rule 10.4 and the assessment of any expenses to be made pursuant to Rule 10.5. These cross-references did not refer to correct rules in the version of UMIR that was approved by the Recognizing Regulators on the recognition of RS as a self-regulatory organization. The amendment made an editorial correction by referring to "Rule 10.5" and "Rule 10.7" respectively.

3. Section 4.2 – Contents of Notice of Hearing

In the ordinary course, a person subject to a disciplinary hearing is entitled to an oral hearing before a Hearing Panel. If the Market Regulator proposes to hold a hearing as an electronic hearing or a written hearing, the Notice of Hearing must contain a statement indicating that the party notified may object to the hearing being held as an electronic or a written hearing and setting out the procedure to be followed to pursue the objection. The amendment merely clarifies that a Notice of Hearing does not need to contain a statement regarding an objection to the form of the hearing if the hearing will be an oral hearing.

4. Section 8.1 – Procedure for Compliance with Disclosure Obligations

Prior to the amendment, section 8.1 provided that each party shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 10 days before the commencement of the hearing:

- deliver to every other party copies of all documents that the party intends to refer to or tender as evidence at the hearing; and
- make available for inspection by every other party anything other than a document that the party intends to refer to or tender as evidence at the hearing.

The section was intended to ensure that, with respect to anything that would be referred to or tendered as evidence at a hearing, all parties received a copy of all documents and had the opportunity to inspect anything which was not a document. The amendment clarifies this interpretation.

The heading of the section was changed to "Procedure for Compliance with Disclosure Obligations" from "Requirement to Disclose" to confirm that the section dealt with procedural aspects of disclosure rather than determining the disclosure that had to be made by each party. In particular, subsection (3) was added to confirm that the procedural provisions did not affect the obligation to disclose as required by common law or other applicable law.

5. Section 9.4 – Failure to Reply, Attend or Participate

The amendment to section 9.4 clarifies that a Hearing Panel may proceed on the facts alleged or the conclusions drawn by the Market Regulator as set out in a Statement of Allegations if the person against whom the Statement of Allegations is delivered fails to respond or appear. Previously, the provision provides that the Hearing Panel may accept such facts "if permitted by law". As RS is not subject to the *Statutory Powers Procedures Act* (Ontario) or comparable legislation in other jurisdictions which would permit a tribunal to rely on the facts, the provision has been amended to explicitly provide that a Hearing Panel may rely on the facts unless otherwise precluded by law.

The amendment to section 9.4 also corrects a minor drafting problem by deleting the term "defendant" from a heading. The term "defendant" is not used in UMIR.

6. Section 9.7 – Public Access to Hearing

Section 9.7 provides for "public access" to hearings conducted by RS before a Hearing Panel. In the case of an oral hearing, the hearing shall be open to the public. The public is given reasonable access to documents submitted for a written hearing at the office of RS during ordinary business hours. In the case of an electronic hearing, the public shall have reasonable access to the proceedings. Unless otherwise provided by the Hearing Panel or the terms of a specific Rule or Policy, the public will have access to a hearing that will consider:

- approval or rejection of a Settlement Agreement entered into between RS and any person with respect to a violation of UMIR;
- a disciplinary matter undertaken pursuant to a Notice of Hearing issued by RS as against any person alleged not to have complied with a requirement of UMIR; and
- any procedural applications or motions in relation to a disciplinary proceeding.

Public access to a hearing may be denied if:

- a specific Rule or Policy provides that a hearing be conducted in the absence of the pubic;
- the Hearing Panel determines that the exclusion of the public from an oral or electronic hearing is necessary for the maintenance of order at the hearing; or
- the Hearing Panel determines that intimate financial or personal matters may be disclosed at the hearing and that the desirability of avoiding disclosure of such personal matters outweighs the desirability of public access to the hearing.

For a hearing in Quebec, the Hearing Panel, on its own initiative or at the request of a party, may order the hearing be held in camera or ban the publication or release of any information or documents it indicates in the interest of morality or public order.

If a Hearing Panel determines that a settlement hearing may be conducted in the absence of the public, the amendment provides that:

- if the settlement agreement is approved by the Hearing Panel, all documents and transcripts of the hearing will be made public; and
- if the settlement agreement is rejected by the Hearing Panel, the material will not be made public and there will not be any prejudice to the case of either the Market Regulator or the party subject to the disciplinary proceeding.

The amendment facilitates the settlement process by keeping all documents and transcripts of a settlement hearing confidential if the Hearing Panel rejects the Settlement Agreement. If the Settlement Agreement is rejected the disciplinary matter will be determined by a new Hearing Panel and the material presented at that hearing will be made public subject to the exceptions enumerated in section 9.7. The approach introduced by the amendment parallels the procedure used by the Ontario Securities Commission in the event that a Settlement Agreement is rejected by a panel.

The amendment also clarifies that the disclosure of material related to the approval of a Settlement Agreement by a Hearing Panel in Quebec under section 9.7 is subject to any order limiting public access to the hearing or the publication of information or documents.

7. Section 10.2 – Selection of Hearing Panel

Prior to the amendment, section 10.2 provided that the Secretary would select a Hearing Panel upon the issuance of a Notice of Hearing. The amendment clarified that the Secretary shall also appoint a Hearing Panel upon acceptance of an Offer of Settlement by the person on whom the Market Regulator has served an Offer of Settlement. Under Part 3 of Policy 10.8, a Hearing Panel must convene to either approve or reject any Settlement Agreement that has been entered into by a Market Regulator. The Settlement Agreement created by the acceptance of the Offer of Settlement is subject to the approval or rejection of the Settlement Agreement by a Hearing Panel.

The amendment also provides that the Chair of a Hearing Panel must be "independent" and may not be a current or former director, officer, partner or employee of a Participant or an Access Person.

8. Section 10.3 – Quorum Provisions

Prior to the amendments, Policy 10.8 did not contain a specific provision on the ability of a Hearing Panel to continue hearings or deliberations if one or more of the Hearing Panel members is unable to continue to serve. The amendment clarifies that decisions of a Hearing Panel may be made by a majority of the members of the panel and that a Hearing Panel may continue to consider a matter if one of the three members is unable to continue serving. The amendment provides that a single member of a Hearing Panel may continue to consider a matter with the consent of all parties. These procedures insure that cases may be considered in a timely manner even though one or more members of a Hearing Panel become incapacitated or are otherwise unable to continue to serve on the Hearing Panel.

Text of the Amendment

The text of the amendments to the Policies respecting practice and procedure that are effective as of January 14, 2005 is set out in Appendix "A".

Responses to the Request for Comments

RS received two comment letters in response to the Request for Comments on the proposed amendments set out in Market Integrity Notice 2004-013. The comments and the response of RS are summarized in Appendix "B". Appendix "B" also contains the text of the relevant provisions of the Policies as they read following the adoption of the amendments. This text has been marked to indicate changes from the original proposal set out in Market Integrity Notice 2004-013.

Questions

Questions concerning this notice may be directed to:

James E. Twiss,
Chief Policy Counsel,
Market Policy and General Counsel's Office,
Market Regulation Services Inc.,
Suite 900,
P.O. Box 939,
145 King Street West,
Toronto, Ontario. M5H 1J8

Telephone: 416.646.7277
Fax: 416.646.7265
e-mail: james.twiss@rs.ca

ROSEMARY CHAN,
VICE PRESIDENT, MARKET POLICY AND GENERAL COUNSEL

Appendix "A"

Universal Market Integrity Rules

Amendments to the Policies

Related to Practice and Procedure

The Policies to the Universal Market Integrity Rules are amended by amending Policy 10.8 as follows:

1. Section 1.1 of Policy 10.8 is amended by deleting the definition of "Secretary" and substituting the following:

   "Secretary" means the Secretary of the Market Regulator or other officer, employee or agent of the Market Regulator designated in writing from time to time by the Secretary to perform such of the functions of the Secretary for the purposes of this Policy as may be specified in the designation by the Secretary.

2. Clause 2.2(b) is amended by deleting the second reference to the word "be" and substituting "by".

3. Clause 3.2(e) is amended by deleting references to "Rule 10.4" and "Rule 10.5" and substituting references to "Rule 10.5" and "Rule 10.7" respectively.

4. Clause 4.2(e) is amended by inserting at the start of that clause the phrase "if the Notice of Hearing specifies that the hearing is to be an electronic or a written hearing,".

5. Section 8.1 is amended by:

   (a) deleting "Requirement to Disclose" as the heading of the section and substituting "Procedure for Compliance with Disclosure Obligations";

   (b) deleting clause 8.1(1)(b) and substituting the following:

      (b) make available for inspection by every other party any other things that the party intends to refer to or tender as evidence at the hearing but not including any document a copy of which was delivered to every other party in accordance with clause (a).

   (c) adding the following as subsection (3):

      (3) **Disclosure Obligation –** Nothing in this section shall affect the obligation of the Market Regulator or any other party to disclose any document or other thing that may be required under common law or other applicable law.

6. Section 9.4 is deleted and the following substituted

   9.4 Failure to Reply, Attend or Participate

   If a person served with a Notice of Hearing fails to:

   (a) in the case of an oral hearing, serve a Reply in accordance with section 9.1;

   (b) in the case of a written hearing, serve a Response in accordance with section 9.2; or

   (c) attend or participate at the hearing specified in the Notice of Hearing,

   the Market Regulator may proceed with the hearing on the matter on the date and at the time and place set out in the Notice of Hearing without further notice to and in the absence of the person, and the Hearing Panel may, unless precluded by law, proceed on the facts alleged or the conclusions drawn by the Market Regulator in the Statement of Allegations and the Hearing Panel may impose any one or more of the penalties or remedies authorized by the Rules and assess expenses as authorized by the Rules.

7. Section 9.7 is amended by adding the following as subsections (4) and (5):

(4) If a Hearing Panel decides that a hearing to consider a Settlement Agreement shall be conducted in the absence of the public in the case of an oral or electronic hearing or without access to the documents submitted in the case of a written hearing;

(a) any record or transcript of the hearing or any document or other thing tendered at the hearing shall be made available to the public if the Hearing Panel approves the Settlement Agreement; and

(b) any record or transcript of the hearing and any document or other thing tendered at the hearing shall not be made available to the public if the Hearing Panel rejects the Settlement Agreement.

(5) Despite subsection (4), if a Hearing Panel in Quebec approves a Settlement Agreement, any record or transcript of the hearing or any document or other thing tendered at the hearing shall not be made available to the public if the hearing is subject to an order that the hearing be held in camera or a ban on the publication or release of any information or documents except to the extent that such order is varied or vacated.

8. Subsection 10.2(1) is amended by:

(a) inserting after the phrase “Notice of Hearing” the phrase “or upon the acceptance of an Offer of Settlement”; and

(b) inserting in clause (a) after the word “jurisdiction” the phrase “and who is not a current or former director, officer, partner or employee of a Participant or an Access Person”.

9. Part 10 is amended by adding the following as section 10.3:

10.3 Quorum Provisions

(1) Subject to subsection 10.2(2), if a member of a Hearing Panel becomes incapacitated or is otherwise unable to serve on a Hearing Panel for whatever reason, the remaining member or members of the Hearing Panel may continue to deal with any matter and may make any order or decision that a Hearing Panel may make in accordance with the Rules and Policies provided that if the Hearing Panel is comprised of a single member the Hearing Panel may only continue to deal with any matter with the consent of all parties.

(2) Any order or decision of a Hearing Panel may be made by a majority of the members of the Hearing Panel and in the event that the Hearing Panel is comprised of two members the order or decision shall be unanimous.

Appendix "B"

Universal Market Integrity Rules

Comments Received on Proposed Amendments
Respecting Practice and Procedure

On April 30, 2004, RS issued Market Integrity Notice 2004-013 requesting comments on proposed amendments to the Policies under UMIR respecting the practice and procedure to be followed in a disciplinary proceeding. In response to that Market Integrity Notice, RS received comments from the following persons:

BMO Nesbitt Burns Inc. ("BMO")
Scotia Capital Inc. ("Scotia")

The following table presents a summary of the comments received together with the response of RS to those comments. Column 1 of the table also indicates the revisions to the amendments as published on April 30, 2004 that are proposed by RS in response to the comments and the applicable securities regulatory authorities.

Text of Provisions Following Adoption of Amendments	Commentator and Summary of Comment	Response to Comment
1.1 Definitions **"Secretary"** means the Secretary of the Market Regulator or other officer, employee or agent of the Market Regulator designated in writing from time to time by the Secretary to perform such of the functions of the Secretary for the purposes of this Policy as may be specified in the designation by the Secretary.		
2.2 Contents of Statement of Allegations A Statement of Allegations must contain: … (b) the facts alleged and intended to be relied upon by ~~be~~ the Market Regulator; and …		
3.2 Contents of Offer of Settlement An Offer of Settlement must: … (e) specify the penalties or remedies to be imposed by the Market Regulator pursuant to Rule 10.5 and the assessment of any expenses to be made pursuant to Rule 10.7; and …		

Text of Provisions Following Adoption of Amendments	Commentator and Summary of Comment	Response to Comment
4.2 Contents of Notice of Hearing A Notice of Hearing must contain: … (e) if the Notice of Hearing specifies that the hearing is to be an electronic or a written hearing, a statement that the party notified may object to holding the hearing as an electronic or a written hearing and the procedure to be followed for that purpose; …		
8.1 ~~Requirement to Disclose~~ Procedure for Compliance with Disclosure Obligations (1) **Documents and Other Things –** Each party to a hearing shall, as soon as practicable after service of the Notice of Hearing, and in any case no later than 10 days before the day upon which the hearing is scheduled to commence: … (b) make available for inspection by every other party ~~anything~~ any other things that the party intends to refer to or tender as evidence at the hearing but not including any document a copy of which was delivered to every other party in accordance with clause (a). … (3) **Disclosure Obligation** – Nothing in this section shall affect the obligation of the Market Regulator or any other party to disclose any document or other thing that may be required by common law or other applicable law.	**Scotia –** Interprets the current provision as requiring that RS "make available for inspection all documents obtained during the course of its investigation, whether or not such documents will form a part of its case against a respondent at a hearing". The commentator also made reference to NASD Rule 9251(a) which would require the disclosure of all documents "prepared or obtained by staff in connection with the investigation". The commentator made reference to Rule 10.1 of the IDA regarding the fact that "nothing in this Rule 10 derogates from the Association's obligation to disclose all materials as required by common-law". The commentator is concerned that the proposed amendment is not consistent with the principles of fairness and natural justice.	Section 8.1 is a procedural rather than a substantive requirement. Section 8.1 is designed to set out how and when disclosure is to be made by all parties rather than establish what is to be disclosed by RS. The standard for disclosure as applicable to RS in respect of disciplinary hearings in Ontario was set out by the Ontario Superior Court of Justice (Divisional Court) in the decision *Taylor Shambleau v. The Ontario Securities Commission and the Toronto Stock Exchange Inc*. in January of 2003. In that decision that court held: "The basis of the disclosure requirement is found in the duty of fairness. The question is not whether a particular class of documents must be disclosed or not. Whatever disclosure is necessary to satisfy the duty of fairness must be made." This standard may in fact vary from jurisdiction to jurisdiction depending upon the administrative law applicable in that jurisdiction (and the standard in Quebec will be based on civil rather than common law). RS made several additional amendments to section 8.1 to confirm that the provision is procedural in nature and that the disclosure standard will be established by applicable law in each province.
	BMO – Commentator is of the view that the amendment changes the substantive requirements for disclosure and is inconsistent with applicable common law requirements and with the procedure of other regulatory agencies including the IDA. Suggests that the "efficiency of the hearing process is enhanced when	(See response to Scotia above.)

Text of Provisions Following Adoption of Amendments	Commentator and Summary of Comment	Response to Comment
	disclosure obligations are clearly set out in the Rules of Practice. This eliminates the need to bring procedural motions at the outset of a hearing."	
9.4 Failure to Reply, Attend or Participate If a person served with a Notice of Hearing fails to: (d) in the case of an oral hearing, serve a Reply in accordance with section 9.1; (e) in the case of a written hearing, serve a Response in accordance with section 9.2; or (f) attend or participate at the hearing specified in the Notice of Hearing, the Market Regulator may proceed with the hearing on the matter on the date and at the time and place set out in the Notice of Hearing without further notice to and in the absence of the person, and the Hearing Panel may, unless precluded by law, proceed on ~~accept~~ the facts alleged or the conclusions drawn by the Market Regulator in the Statement of Allegations ~~as having been proven by the Market Regulator~~ and the Hearing Panel may impose any one or more of the penalties or remedies authorized by the Rules and assess expenses as authorized by the Rules.		
9.7 Public Access to Hearing (4) If a Hearing Panel decides that a hearing to consider a Settlement Agreement shall be conducted in the absence of the public in the case of an oral or electronic hearing or without access to the documents submitted in the case of a written hearing;		

Text of Provisions Following Adoption of Amendments	Commentator and Summary of Comment	Response to Comment
(a) any record or transcript of the hearing or any document or other thing tendered at the hearing shall be made available to the public if the Hearing Panel approves the Settlement Agreement; and (b) any record or transcript of the hearing and any document or other thing tendered at the hearing shall not be made available to the public if the Hearing Panel rejects the Settlement Agreement. (5) Despite subsection (4), if a Hearing Panel in Quebec approves a Settlement Agreement, any record or transcript of the hearing or any document or other thing tendered at the hearing shall not be made available to the public if the hearing is subject to an order that the hearing be held in camera or a ban on the publication or release of any information or documents except to the extent that such order is varied or vacated.		
10.2 Selection of Hearing Panel (1) Upon the issuance of a Notice of Hearing or upon the acceptance of an Offer of Settlement, the Secretary shall select a Hearing Panel from the members of the Hearing Committee for the jurisdiction in which the hearing will be held comprised of: (a) one member of the Hearing Committee who is or was a member of the Law Society for that jurisdiction and who is not a current or former director, officer, partner or employee of a Participant or an Access		

Text of Provisions Following Adoption of Amendments	Commentator and Summary of Comment	Response to Comment
Person and this person shall act as chair of the Hearing Panel; and (b) two members of the Hearing Committee, at least one of whom shall be a current or former director, officer, partner or employee of a Participant or an Access Person		
10.3 Quorum Provisions (1) Subject to subsection 10.2(2), if a member of a Hearing Panel becomes incapacitated or is otherwise unable to serve on a Hearing Panel for whatever reason, the remaining member or members of the Hearing Panel may continue to deal with any matter and may make any order or decision that a Hearing Panel may make in accordance with the Rules and Policies provided that if the Hearing Panel is comprised of a single member the Hearing Panel may only continue to deal with any matter with the consent of all parties. (2) Any order or decision of a Hearing Panel may be made by a majority of the members of the Hearing Panel and in the event that the Hearing Panel is comprised of two members the order or decision shall be unanimous.		

13.1.2 TSX Request for Comments - Changes to the Market-On-Close System

THE TORONTO STOCK EXCHANGE
CHANGES TO THE MARKET-ON-CLOSE SYSTEM

REQUEST FOR COMMENTS

The Board of Directors of TSX Inc. has approved amendments (Amendments) to the Rules of the Toronto Stock Exchange (Rule Book). The Amendments provide for three changes to existing Market On Close (MOC) procedures: (i) an increase in the duration of the price movement extension period; (ii) the publication of an indicative calculated closing price; and (iii) a revision to the manner in which the calculated closing price is calculated on a "failed" MOC security. The text of the Amendments, shown as blacklined text, is attached. Discussion of the Amendments is provided in part II below. The Amendments will be effective upon approval by the Ontario Securities Commission (Commission) following public notice and comment. Comments on the proposed amendments should be in writing and delivered by Monday, February 14, 2005 to:

Deanna Dobrowsky
Legal Counsel, Market Policy & Structure
TSX Group Inc.
The Exchange Tower
130 King Street West, 3rd Floor
Toronto, Ontario M5X 1J2
Fax: (416) 947-4461
e-mail: deanna.dobrowsky@tsx.com

A copy should also be provided to:

Cindy Petlock
Manager, Market Regulation
Capital Markets Branch
Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
e-mail: cpetlock@osc.gov.on.ca

Terms not defined in this Request for Comments are defined in the Rule Book.

I. Background

In March, 2004, TSX began to phase-in the MOC system, mainly for symbols in the S&P/TSX 60 Index. TSX believes that the MOC facility provides improved access, fairness and liquidity to the marketplace.

Market priced MOC orders may be entered into the MOC Book during the MOC pre-opening session. During the blind limit order offsetting session, limit orders, seeking a part of the imbalance (contra-side), may be entered. During the Price Movement Extension (PME), limit orders on the contra-side of the imbalance may be entered. Order details are not publicly displayed for orders marked MOC.

The closing call is the mechanism by which the final calculated closing price (CCP) is determined. It combines the orders in the MOC Book and the continuous market book to determine the official closing price of a security. The CCP is determined using similar logic to the calculated opening price. The CCP uses the following drivers in making its calculation: price at which the greatest volume can trade; price at which there is the least imbalance; and price closest to the last sale price.

The PME parameter is a price control parameter used to determine whether the CCP adequately reflects the true price of a security or whether additional trading time is required to allow the market to adjust the CCP to an acceptable level. The PME is an extension of the imbalance offset, designed to solicit further liquidity and prices to offset the imbalance posted at 3:40 pm. The Closing Price Acceptance (CPA) parameter is a price control parameter that is used to either accept or reject the CCP that is derived from the PME.

II. Discussion of Rule Book Amendments

1. *Price Movement Extension duration*

The PME period currently extends from 4:00 p.m. to 4:05 p.m. The PME is used in the event that the CCP for a MOC Security at the close exceeds the volatility parameters determined by TSX. It is TSX's view that extending the PME by 5 minutes will provide market participants additional time to source liquidity in response to a significant price movement at the close. The Amendments provide that the duration of the PME period will be from 4:00pm to 4:10pm.

The large index rebalancing activity associated with the closing of the Manulife/John Hancock transaction on April 28, 2004 severely tested the ability of market participants to source additional liquidity during the five minute PME period. TSX received numerous complaints that the five minute window was too short and that better closing prices would have resulted for many securities if the duration of the window was expanded. Many participants advised that the focus on Manulife that was required of them during the five minutes post-close meant that they were unable to attend to trading other securities in the MOC Book post-close, and that another five minute extension would have provided them with the time they needed to effect such other trades.

The proposed extension of the duration of the PME will result in a shortened Special Trading Session (from 4:15 p.m. to 5:00 p.m. instead of the current Special Trading Session of 4:10 p.m. to 5:00 p.m.). TSX has consulted widely with market participants in connection with these proposed changes and we have not received any objections to the proposed shortening of the Special Trading Session.

The following sections of the Rule Book have been amended to provide for this proposed change: 1-101 Definitions ("MOC Book"); 4-902(3)(e); 4-902(4)(a) and (b).

2. Indicative Calculated Closing Price

As a further safeguard against unexpected closing results, TSX believes that an indicative calculated closing price (ICCP) should be broadcast at 3:50 p.m. The ICCP will indicate what the closing price for a MOC Security would be if, at the time of calculation, the regular trading session had ended. The ICCP will provide market participants with an early warning regarding potentially large price movements at the close. We believe that the ICCP broadcast will prompt market participants to offer additional liquidity in response to unexpected price volatility. The ICCP broadcast will also provide investors with continuous market orders additional information about the potential close rather than receive an unexpected surprise at the close. The broadcast will be disseminated in the same manner that the MOC Imbalance is broadcast at 3:40pm each Trading Day. Specifically, the ICCP message will be sent to data and trade station vendors for redistribution.

The following sections of the Rule Book have been amended to provide for this proposed change: 1-101 Definitions ("Indicative calculated closing price"); 4-902(3)(c).

3. *"Failed MOC" Procedures*

Under the current rules, where the CCP for a MOC Security exceeds the CPA volatility parameters at the end of the PME period, the last sale price of a board lot in the regular session becomes the closing price. Using this method, it is possible that a large number of MOC Orders will expire and be removed from the MOC Book. The Amendments provide that where the CCP for a MOC Security exceeds the CPA volatility parameters at the end of the PME period, the CCP will be determined to be the price at which most shares trade, leaving the least imbalance, where the price does not exceed the CPA volatility parameters. TSX believes that, with this amendment, a greater number of MOC Orders will be able to be executed in a "failed" session, as all tradable MOC Orders will be matched, up to the new calculated closing price value. It is our view that matching the maximum volume of stock to the CPA volatility parameters will also lower the risk for indexers going into the next day's market.

The following sections of the Rule Book have been amended to provide for this proposed change: 1-101 Definitions ("Last Sale Price"); 4-902(4)(b); 4-902(5)(b).

4. *Other Revisions*

The Amendments include other minor clarifying revisions to the Rule Book. The following sections of the Rule Book have been amended to provide for these incidental revisions: 1-101 Definitions ("MOC Limit Order"); 4-902(3)(b).

III. Change in Volatility Parameters

The following changes do not require a Rule Book change. They are being provided for information purposes only.

1. *Price Movement Extension Volatility Parameters*

Currently, the MOC system compares the CCP at the close against the price of the last board lot sale and the VWAP during the last twenty minutes of the continuous market. If the CCP falls outside of the range that extends from the greater of 10% above: the VWAP (calculated during the last twenty minutes of the continuous market) or the last board lot sale, down to the amount that is the lower of 10% less than: the VWAP (calculated during the last twenty minutes of the continuous market) or the last board lot sale, closing is delayed by five minutes. This five minute period is called the PME period and the 10% volatility parameters are referred to as the PME volatility parameters. During the PME period, market participants can enter more limit orders into the MOC Book and are provided with what the indicative closing price would have been at 4pm. This is intended to be a safeguard or a brake on the market to ensure that all market participants have an opportunity to react to a potential price swing of unusually large magnitude.

TSX believes that the 10% PME volatility parameters are too wide for an S&P/TSX 60 Index security and that these volatility parameters should be reduced from 10% to 5%. This view is consistent with statistics that show that, other than activity that occurred on April 28, 2004 (which was the result of an unusually large index portfolio rebalancing associated with the Manulife acquisition of John Hancock), there has only been one instance where the CCP would have exceeded a 5% volatility parameter. In this one instance, having a reduced volatility parameter of 5% would have given a warning to marketplace participants that something unexpected was happening to the security's price and would have placed the security into the PME period. This would have resulted in increased trading that likely would have produced a CCP that better reflected the true price of the security.

There have been a number of instances where a security's CCP has hovered around 4% from either the last sale or the VWAP. This statistic confirms our belief that the 5% parameters are not too large. The narrower parameters will allow participants to react to price swings of a smaller magnitude, which will ultimately result in a CCP that best represents what the closing price of a particular security should be.

2. *Closing Price Acceptance Volatility Parameters*

If a security is traded during the PME, its closing price is calculated again at 4:05pm. (Note that above we propose a rule amendment that will change the PME from a five minute duration to a ten minute duration, which will result in the closing price being calculated again at 4:10 p.m. rather than at 4:05 p.m.) If the closing price calculated at the end of the PME lies outside the acceptable range, this security will be considered to have been a "failed MOC". The acceptable range, or the range between the CPA volatility parameters, is the range that extends from the greater of 20% above: the VWAP (calculated during the last twenty minutes of the continuous market) or the last board lot sale, down to the amount that is the lower of 20% less than: the VWAP (calculated during the last twenty minutes of the continuous market) or the last board lot sale.

TSX believes that it is beneficial to change the CPA volatility parameters from 20% to 10% to be consistent with the move of the PME from 10% to 5%. The current CPA volatility parameters of 20% are extremely broad and have not been particularly useful to date. The narrowing of the CPA volatility parameters is also consistent with our proposed change to the "failed MOC" procedures (see above under "Discussion of Rule Book Amendments - Failed MOC Procedures"). Because the new failed MOC procedures will provide that the CCP cannot exceed the CPA volatility parameters, it is important that the CPA volatility parameters not be too wide otherwise they will not be a useful reflection of what the closing price should be. We have consulted with numerous market participants who are in agreement with our proposal to shift to 10% CPA volatility parameters, particularly when they will be used in conjunction with the proposed new procedures for a failed MOC.

IV. Eligible Securities Determination

The following changes do not require a Rule Book change. They are being provided for information purposes only.

TSX believes that the MOC system has been very well received by market participants and is already a valuable feature for trading on Toronto Stock Exchange. TSX expects that market participants will continue to increase order entry in the MOC Book as they become more familiar with the MOC system and the benefits that MOC can provide to participating organizations and their clients.

S&P/TSX Composite Index

TSX intends to add symbols from the S&P/TSX Composite Index (that are not already in the S&P/TSX 60 Index) into the MOC Book in 2005. Our current proposal is that these symbols will be brought into the MOC Book in a phased-in approach. We believe that a staggered, phased-in roll out for the S&P/TSX Composite Index symbols, an approach that is similar to the S&P/TSX 60 Index MOC Book roll-out, will be easily understood by industry participants and can be readily achieved by TSX. We are in the process of determining the order in which symbols will be rolled out into the MOC Book. As with the original roll out of the symbols currently in the MOC Book, TSX will provide ample notice to participants prior to adding S&P/TSX Composite Index symbols to the MOC Book.

International Indices

Market participants or international indexers may make a submission to TSX to request that a symbol from an international index be added as a MOC Security. A submission must include any relevant documentation from the international index provider of pending index activity (for example, a rebalancing of the index). For a security to be considered eligible for the MOC Book, it must have achieved at least Cdn $1 million average daily trading value in the previous quarter. (This minimum daily trading value does not apply to MOC Securities that are in the S&P/TSX 60 Index or S&P/TSX Composite Index.) TSX will provide notice to Participating Organizations before adding such a symbol to the MOC Book.

Special Requests

A security that does not fall under any of the above categories may also be added to the MOC Book. In order to be included in the MOC Book, the issuer must make a formal request to TSX to have its security added to the MOC Book. Inclusion is at the discretion of TSX, but TSX will consult with market participants before making its decision. At a minimum, the symbol's average daily traded value for the previous quarter must be greater than Cdn $1 million. TSX will provide notice to Participating Organizations before adding the symbol to the MOC Book.

Public Interest Assessment

The Amendments are designed to increase liquidity at the close and to enable participants to better source such liquidity. As well, the Amendments will allow a greater number of MOC Orders to be executed in a "failed MOC" session. The Amendments have been developed after extensive consultation with market participants and regulators. For these reasons, TSX believes that the Amendments are not contrary to the public interest.

We submit that in accordance with the Protocol for Commission's oversight of Toronto Stock Exchange Rule Proposals between the Commission and TSX, the Amendments would be considered "public interest" in nature. The Amendments would, therefore, only become effective following public notice, a comment period and the approval of the Commission.

Questions

Questions concerning this notice should be directed to Deanna Dobrowsky, Legal Counsel, Market Policy & Structure, TSX Group Inc., at (416) 947-4361.

THE RULES

of

THE TORONTO STOCK EXCHANGE

RULES (as at March 29, 2004)	POLICIES
PART 1 - INTERPRETATION **1-101 Definitions (Amended)**	
(1) In all Exchange Requirements, unless the subject matter or context otherwise requires:	
"Book" means the electronic file of committed orders for listed securities but does not include the MOC Book. **Amended (March 29, 2004)**	
"Calculated closing price" means the closing price for MOC Securities calculated in the manner determined by the Board. **Added (March 29, 2004)**	
"Closing Call" means the execution of orders on the combination of the Book and the MOC Book to derive the calculated closing price. **Added (March 29, 2004)**	
"Indicative calculated closing price" means the price that is calculated for a MOC Security immediately before the broadcast of such indicative calculated closing price, that indicates what the calculated closing price for the MOC Security would be if, at the time of calculation, the Regular Session had ended, without reference to volatility parameters. **Added (●, 2004)**	
"Last Sale Price" means: (a) in respect of a MOC Security, the calculated closing price ~~or the last board lot sale price of the security on the Exchange in the Regular Session if the closing price acceptance parameters are exceeded~~; and (b) in respect of any other listed security, the last board lot sale price of the security on the Exchange in the Regular Session. ~~Added~~Amended (~~March 29,~~●, 2004)	

RULES (as at March 29, 2004)	POLICIES
"MOC Book" means the electronic file that holds MOC Orders entered between 7:00 a.m. and 4:~~05~~10 p.m. ~~**Added**~~**Amended** (~~**March 29,**~~**●, 2004)**	
"MOC Imbalance" means the difference between MOC Market Orders to buy and MOC Market Orders to sell MOC Securities, calculated in the manner determined by the Exchange. **Added (March 29, 2004)**	
"MOC Limit Order" means an order for the purchase or sale of a MOC Security entered in the MOC Book on a Trading Day for the purpose of executing at the Last Sale Price of the security on that Trading Day, provided that the Last Sale Price does not exceed a specified maximum price or fall below a specified minimum price, but does not include a Special Trading Session Order. ~~**Added**~~**Amended** (~~**March 29,**~~**●, 2004)**	
"MOC Market Order" means an order for the purchase or sale of a MOC Security entered in the MOC Book on a Trading Day for the purpose of executing at the Last Sale Price of the security on that Trading Day, but does not include a Special Trading Session Order. **Added (March 29, 2004)**	
"MOC Order" includes a MOC Market Order and a MOC Limit Order. **Added (March 29, 2004)**	
"MOC Securities" means securities in respect of which MOC Orders may be entered as designated by the Exchange from time to time. **Added (March 29, 2004)**	
PART 4 – TRADING OF LISTED SECURITIES	
DIVISION 9 – SPECIAL TRADING SESSION **4-901 General Provisions (Amended)** (1) All listed securities shall be eligible for trading during the Special Trading Session, provided that a MOC Security shall not be eligible for trading until the completion of the Closing Call in respect of that MOC Security. (2) Except as otherwise provided, all transactions in the Special Trading Session shall be at the Last Sale Price for each security.	

RULES (as at March 29, 2004)	POLICIES
(3) Except as otherwise provided, the normal rules of priority and allocation and all other Exchange Requirements shall apply to the Special Trading Session. **Amended (March 29, 2004)**	
4-902 Market-On-Close (1) Eligible Securities MOC Orders may only be entered for MOC Securities. (2) Board Lots A MOC Order must be for a board lot or an integral multiple of a board lot of a MOC Security. (3) MOC Order Entry (a) MOC Market Orders may be entered, cancelled and modified in the MOC Book from 7:00 a.m. until 3:40 p.m. on each Trading Day. MOC Market Orders may not be cancelled or modified after 3:40 p.m. (b) The MOC Imbalance is calculated and broadcast at 3:40 p.m. on each Trading Day. (c) The indicative calculated closing price for each MOC Security is broadcast at 3:50 pm on each Trading Day. (d) ~~(c)~~ Following the broadcast of the MOC Imbalance, until 4:00 p.m. on each Trading Day, MOC Limit Orders may be entered in the MOC Book on the contra side of the MOC Imbalance. MOC Limit Orders may be cancelled until 4:00 p.m. (e) ~~(d)~~ In the event of a delay of the Closing Call for a MOC Security, MOC Limit Orders may be entered in the MOC Book for such security on the contra side of the MOC Imbalance between 4:00 p.m. and 4:~~05~~10 p.m. MOC Limit Orders may not be cancelled during this time period. **Amended (●, 2004)** (4) Closing Call (a) The Closing Call shall occur on each Trading Day at 4:00 p.m. The Closing Call in a MOC Security shall be delayed for a period of ~~five~~ten minutes (and therefore occur at 4:~~05~~10 p.m.) in the event that the price that would be the calculated closing price for the MOC Security exceeds the volatility parameters determined by the Exchange.	

RULES (as at March 29, 2004)	POLICIES
The Exchange will forthwith broadcast a message identifying the MOC Security that is subject to the delay. (b) In the event that the price that would be the calculated closing price for a MOC Security exceeds the closing price acceptance parameters determined by the Exchange at 4:~~05~~10 p.m., the calculated closing price for the MOC Security will be the ~~last sale price of a board lot in the Regular Session~~price at which most shares will trade, leaving the least imbalance, where the price does not exceed the closing price acceptance parameters determined by the Exchange for such security. (c) Orders shall execute in the Closing Call in the following sequence: (i) MOC Market Orders shall trade with offsetting MOC Market Orders entered by the same Participating Organization, according to time priority, provided that neither order is an unattributed order; then (ii) MOC Market Orders shall trade with offsetting MOC Market Orders, according to time priority; then (iii) MOC Market Orders shall trade with offsetting limit orders in the Closing Call entered by the same Participating Organization, according to time priority, provided that neither order is an unattributed order; then (iv) MOC Market Orders shall trade with offsetting limit orders in the Closing Call, according to time priority; then (v) limit orders in the Closing Call shall trade with offsetting limit orders in the Closing Call entered by the same Participating Organization, according to time priority, provided that neither order is an unattributed order; then (vi) remaining orders in the Closing Call shall trade according to time priority. (d) An order for a MOC Security shall not execute if, at the ~~Close:~~ close: (i) an automatic closing delay has been initiated in the MOC Security because the calculated closing price exceeds the volatility parameters determined by the Exchange; or	

RULES (as at March 29, 2004)	POLICIES
(ii) the participation of the MOC Security has been otherwise delayed by a Market Surveillance Official. **Amended (●, 2004)** (5) Unfilled Orders (a) Except as otherwise provided in this Rule, all MOC Orders that are not completely filled in the Closing Call shall expire at the end of the Closing Call and will be removed from the Book and the MOC Book. (b) In the event that the closing price acceptance parameters are exceeded for a MOC security, MOC Market Orders shall trade with offsetting MOC ~~Market~~ Orders and any limit orders at the ~~last sale price of a board lot in the Regular Session~~price at which most shares will trade, leaving the least imbalance, where the price does not exceed the closing price acceptance parameters determined by the Exchange for such security. All remaining MOC Orders will be removed from the Book and the MOC Book. (c) All other orders, that are not marked as MOC, that are not completely filled in the Closing Call shall be eligible for trading in the Special Trading Session. **Amended (●, 2004)** (6) Application of Exchange Requirements Except as otherwise provided in this Rule, all Exchange Requirements shall apply to the entry and execution of MOC Orders. **Added (March 29, 2004)**	

13.1.3 Notice of Commission Approval – Housekeeping Amendments to MFDA By-law No.1, Section 8 – For the Protection of Directors, Officers and Others

THE MUTUAL FUND DEALERS ASSOCIATION (MFDA)

AMENDMENTS TO MFDA BY-LAW NO. 1, SECTION 8 –
FOR THE PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved the amendments to MFDA By-law No. 1, Section 8 regarding the protection of directors, officers and other individuals, such as employees and agents. In addition, the Alberta Securities Commission, Nova Scotia Securities Commission and Saskatchewan Financial Services Commission approved, and the British Columbia Securities Commission did not object to the amendments. The amendments clarify that the indemnification and protection provisions of Section 8 of MFDA By-law No. 1 apply to past and present members of the MFDA Board of Directors, its committees and sub-committees, MFDA committees and sub-committees, officers, employees or agents. The amendments would also extend the indemnification and protection provisions to members of a Regional Council, including a Hearing Panel, a committee or sub-committee. The amendments are housekeeping in nature. The description and a copy of the amendments are contained in Appendix "A".

APPENDIX "A"
MFDA NOTICE – HOUSEKEEPING AMENDMENTS
TO MFDA BY-LAW NO. 1, SECTION 8 -
FOR THE PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

Current By-law

Section 8 of MFDA By-law No. 1 describes the indemnification and protection provisions applicable for directors and officers of the Mutual Fund Dealers Association of Canada (the "Corporation") as well as other individuals, such as employees and agents of the Corporation.

Reasons for Amendments

The proposed amendments will clarify that the indemnification and protection provisions of Section 8 apply to Regional Council Members. The inclusion of Regional Council Members is in recognition of the fact that the roles and duties of Regional Council Members contemplated by MFDA By-laws carry with them potential liability and accordingly protection must be afforded to these individuals in the circumstances set out in section 8.

Description of Amendment

The existing Section 8 makes a number of references to "directors and officers and other persons", or uses similar wording in describing the application of the indemnity and protection provisions of the By-law. The amended text refers to "past or present members of the Board of Directors, a Regional Council (including a Hearing Panel) or any committee or sub-committee thereof of the Corporation, officers, employees or agents of the Corporation and other persons undertaking liability on behalf of the Corporation", or uses other similar wording to clarify the intended application of the section.

The amendment is housekeeping in nature in that it reflects changes in routine procedures and administrative practices of the MFDA and does not impose any significant burden or any barrier to competition that is not appropriate.

Comparison with Similar Provisions

The amendments to section 8 are consistent with the indemnification provisions of By-law 25 of the Investment Dealers Association of Canada.

Effective Date

The amended Rule will be effective on a date to be subsequently determined by the MFDA.

MUTUAL FUND DEALERS ASSOCIATION OF CANADA

MFDA By-law No. 1

On November 10, 2004, the Board of Directors of the Mutual Fund Dealers Association of Canada made and enacted the following amendments to MFDA By-law No. 1:

1. SECTION 8: FOR THE PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

8. FOR THE PROTECTION OF DIRECTORS, ~~AND~~ OFFICERS AND OTHERS

8.1 Limitation of Liability

No ~~director~~ past or present member of the Board of Directors, a Regional Council (including a Hearing Panel) or any committee or sub-committee thereof or of the Corporation, officer, employee or agent shall be liable for the acts, receipts, neglects or defaults of any other ~~director, officer, employee or agent~~ of such persons, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or □ortuous acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his or her office or in relation thereto; provided that nothing herein shall relieve any ~~director or officer~~ such person from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

8.2 Indemnity

~~Every director or officer~~Each past and present member of the Board of Directors, a Regional Council (including a Hearing Panel) or any committee or sub-committee thereof or of the Corporation, officer, employee or agent of the Corporation, ~~or~~ and any other person who has undertaken or is about to undertake any liability on behalf of the Corporation or any company controlled by it, and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Corporation, from and against:

8.2.1. all costs, charges, fines and penalties and expenses which such ~~director,~~ Board, Council, Panel, committee or sub-committee member, officer, employee, agent or other person sustains or incurs in or about or to settle any action, suit or proceeding which is threatened, brought, commenced or prosecuted against him or her, or in respect of any act, deed, matter or thing whatsoever, made, done or permitted by him or her, in or about the execution of the duties of his or her office or in respect of any such liability; and

8.2.2 all other costs, charges and expenses which he or she sustains or incurs in or about or in relation to the affairs thereof, including an amount representing the value of time any such ~~director,~~ Board, Council, Panel, committee or sub-committee member, officer, employee, agent or other person spent in relation thereto and any income or other taxes or assessments incurred in respect of the indemnification provided for in this By-law, except such costs, charges or expenses as are occasioned by his or her own □illful neglect or default.

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

8.3 Action, Suit or Proceeding Threatened, Brought, etc. by the Corporation

Where the action, suit or proceeding referred to in Section 8.2.1 above is threatened, brought, commenced or prosecuted by the Corporation against a ~~director,~~Board, Council, Panel committee or sub-committee member, officer, employee, agent or other person who has undertaken or is about to undertake any liability on behalf of the Corporation or any company controlled by it, the Corporation shall make application at its expense for approval of the court to indemnify such persons, and their heirs, executors and administrators, and estates and effects respectively, on the same terms as outlined in Section 8.2.

8.4 Insurance

The Corporation may purchase and maintain insurance for the benefit of any person referred to in Section 8.2 against such liabilities and in such amounts as the Board may from time to time determine and are permitted by the Act.

Chapter 25

Other Information

25.1 Exemptions

25.1.1 UBS Global Asset Management ((Americas) Inc. - s. 51. of Rule 13-503

Headnote

UBS Global Asset Management (Americas) Inc.

Application to the Commission for an order, pursuant to section 5.1 of Rule 13-503 *(Commodity Futures Act) Fees*, that the applicant not be required to pay an additional activity fee as required by section 3.1 of Rule 13-503 and Appendix B to Rule 13-503 which is normally charged to an applicant that is not subject to participation fees under Rule 13-503 or Rule 13-502.

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

AND

ONTARIO SECURITIES COMMISSION
RULE 13-503 (COMMODITY FUTURES ACT) FEES

AND

IN THE MATTER OF
UBS GLOBAL ASSET MANAGEMENT (AMERICAS) INC.

EXEMPTION
(Section 5.1 of Rule 13-503 (Commodity Futures Act) Fees)

WHEREAS the Ontario Securities Commission (the Commission) has received an application from UBS Global Asset Management (Americas) Inc. (UBS AM) for a ruling under section 80 of the Commodity Futures Act, R.S.O. 1990, c.20 (the CFA) that UBS AM and its officers are not subject to the requirement of paragraph 22(1)(b) of the CFA (the CFA Exemption Application);

AND WHEREAS the Commission has received an application from UBS AM, pursuant to section 5.1 of Rule 13-503 (Commodity Futures Act) Fees, for an order exempting, in part, the Applicant from the requirement to pay certain activity fees prescribed by Part 3 of Rule 13-503;

AND WHEREAS the Applicant has represented to the Director that:

1. UBS AM is incorporated under the laws of Delaware and is resident in Illinois. UBS AM is a commodity trading advisor registered with the Commodity Futures Trading Commission and a member of the National Futures Association in the United States, which permits UBS AM to provide advice in respect of futures contracts and options on futures contracts in the U.S.

2. UBS AM currently acts as an adviser providing discretionary portfolio management services to UBS Global Allocation Trust (the Trust), an investment trust established under the laws of Ontario, which is managed by UBS Global Asset Management (Canada) Co. (UBS Canada), a registered adviser under the CFA, and may in the future act as an adviser by providing such portfolio management services for the benefit of clients of one or more:

   a. registered advisers under the CFA, or

   b. registered brokers and dealers acting as a portfolio adviser pursuant to section 44 of the Regulations to the CFA.

3. Pursuant to section 3.1 of Rule 13-503, a person or company that files a document or takes an action listed in Appendix B shall, concurrently with the filing or taking of the action, pay the activity fee shown in Appendix B beside the description of the document or action.

4. Pursuant to section 1 of Appendix B, UBS AM is required to pay a fee of $5,500 in filing the CFA Exemption Application with the Commission. UBS AM is required to pay an additional amount of $2,000 as UBS AM is not subject to, and is not reasonably expected to become subject to, a participation fee under Rule 13-503.

5. UBS Canada is required to pay fees to UBS AM for the advisory services provided to the Trust. These fees will be deducted from the management fee that UBS Canada receives from the Trust and will be subject to a participation fee pursuant to Part 2 of Rule 13-503.

6. UBS Canada will not be able to deduct the fees paid to UBS AM from the participation fee because UBS AM is not a registrant in Ontario.

7. Where the principal adviser (or the manager of the Trust, as in this case) and the sub-adviser are related entities, requiring the sub-adviser to pay the additional $2,000 is effectively akin to double charging UBS AM and UBS Canada for the advisory services provided to the Trust.

AND UPON considering the application and the recommendation of staff;

IT IS ORDERED, pursuant to section 5.1 of Rule 13-503, that for the purposes of the CFA Exemption Application, UBS AM shall not be required to pay the additional activity fee of $2,000.

August 9, 2004.

"David M. Gilkes"

25.2 Approvals

25.2.1 Felcom Management Corp. - cl. 213(3)(b) of the LTCA

Headnote

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

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., clause 213(3)(b).

December 24, 2004

Felcom Management Corp.
26 Wellington Street East
Suite 920
Toronto, Ontario
M5E 1S2

Attention: Frances Connelly

Dear Sirs/Mesdames:

Re: Felcom Management Corp. ("Felcom")
Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario)
Application No. 1038/04

Further to your application dated December 10, 2004, as supplemented by faxed documents dated December 15, 2004 and December 16, 2004 (collectively, the "**Application**") filed on behalf of Felcom, and based on the facts set out in the Application, pursuant to the authority conferred upon the Ontario Securities Commission (the "**Commission**") in paragraph 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that Felcom act as trustee of the Taliesin Fund and of other mutual funds which may be established and managed by Felcom in the future, the securities of which are or will be offered pursuant to prospectus exemptions.

"Paul Moore" "H. Lorne Murphy"

25.3.1 Securities

RELEASE FROM ESCROW

COMPANY NAME	DATE	NO. AND TYPE OF SHARES	ADDITIONAL INFORMATION
Holmer Gold Mines Limited	24/12/2004	130,358 common shares released to Steven Ogryzlo 130,357 common shares released to K. Sethu Raman	

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