The Ontario Securities Commission

OSC Bulletin

June 8, 2001

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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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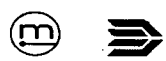

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

June 8, 2001

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

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

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Robert W. Korthals	—	RWK
Mary Theresa McLeod	—	MTM
R. Stephen Paddon, Q.C.	—	RSP

SCHEDULED OSC HEARINGS

Date to be announced	**Mark Bonham and Bonham & Co. Inc.** s. 127 Mr. A.Graburn in attendance for staff. Panel: TBA
July 9 - 12 July 16 -19 July 23 - 26 July 30 - Aug 2 August 13 -16 August 20,22,23 August 27-30 /2001 10:00 a.m.	**YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths Mcburney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)** s. 127 K. Daniels / M. Code / J. Naster / I. Smith in attendance for staff. Panel: HIW / DB / RWD
August 13/ 2001 10:00 a.m.	**Jack Banks et al.** s. 127 Mr. Tim Moseley in attendance for staff. Panel: TBA

ADJOURNED SINE DIE

Michael Bourgon

DJL Capital Corp. and Dennis John Little

Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall, DJL Capital Corp., Dennis John Little and Benjamin Emile Poirier

First Federal Capital (Canada) Corporation and Monter Morris Friesner

Global Privacy Management Trust and Robert Cranston

Irvine James Dyck

M.C.J.C. Holdings Inc. and Michael Cowpland

Offshore Marketing Alliance and Warren English

Robert Thomislav Adzija, Larry Allen Ayres, David Arthur Bending, Marlene Berry, Douglas Cross, Allan Joseph Dorsey, Allan Eizenga, Guy Fangeat, Richard Jules Fangeat, Michael Hersey, George Edward Holmes, Todd Michael Johnston, Michael Thomas Peter Kennelly, John Douglas Kirby, Ernest Kiss, Arthur Krick, Frank Alan Latam, Brian Lawrence, Luke John Mcgee, Ron Masschaele, John Newman, Randall Novak, Normand Riopelle, Robert Louis Rizzuto, And Michael Vaughan

S. B. McLaughlin

Southwest Securities

Terry G. Dodsley

Wayne Umetsu

PROVINCIAL DIVISION PROCEEDINGS

Date to be announced	**Michael Cowpland and M.C.J.C. Holdings Inc.** s. 122 Ms. M. Sopinka in attendance for staff. Ottawa
Jan 29/2001 - Jun 22/2001	**John Bernard Felderhof** Mssrs. J. Naster and I. Smith for staff. Courtroom TBA, Provincial Offences Court Old City Hall, Toronto
July 13, 2001 1:30 p.m. Courtroom C	**1173219 Ontario Limited c.o.b. as TAC (The Alternate Choice), TAC International Limited, Douglas R. Walker, David C. Drennan, Steven Peck, Don Gutoski, Ray Ricks, Al Johnson and Gerald McLeod** s. 122 Mr. D. Ferris in attendance for staff. Provincial Offences Court Old City Hall, Toronto
September 17/2001 9:30 a.m.	**Einar Bellfield** s. 122 Ms. Sarah Oseni in attendance for staff. Courtroom 111, Provincial Offences Court Old City Hall, Toronto

Reference: John Stevenson
Secretary to the
Ontario Securities Commission
(416) 593-8145

1.1.2 Extending the Temporary Exemption from Recognition Order of the Montreal Exchange

NOTICE OF COMMISSION DECISION EXTENDING THE TEMPORARY EXEMPTION FROM RECOGNITION ORDER OF THE MONTREAL EXCHANGE

On May 29, 2001, the Commission granted the Montreal Exchange (the "ME") an extension to the order temporarily exempting the ME from recognition as a stock exchange pursuant to section 21 of the *Securities Act* (Ontario) and registration as a commodity futures exchange pursuant to section 15 of the *Commodity Futures Act* (Ontario). The order provides that the exemption shall terminate at the earlier of:

(i) the date that the ME is granted an order by the Commission recognizing it as a stock exchange and registering it as a commodity futures exchange or exempting it from the requirement to be recognized as a stock exchange and registered as a commodity futures exchange; and

(ii) July 31, 2001.

The order is published in Chapter 2 of this Bulletin.

1.1.3 TSE Inc. – POSIT Call Market

THE TORONTO STOCK EXCHANGE – IMPLEMENTATION OF A CALL MARKET

REQUEST FOR COMMENTS

A request for comments on the implementation of the POSIT Call Market, an electronic equity matching system, as a facility of TSE Inc. is published in Chapter 13 of the Bulletin.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Pyramid Energy Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - corporation deemed to have ceased to be a reporting issuer when all of its outstanding securities were acquired by another issuer.

Applicable Ontario Statutory Provisions

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

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA AND ONTARIO

AND

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

AND

IN THE MATTER OF
PYRAMID ENERGY INC.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in Alberta and Ontario (the "Jurisdictions") has received an application from Pyramid Energy Inc. ("Pyramid") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Pyramid be deemed to have ceased to be a reporting issuer;

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

3. **AND WHEREAS** Pyramid has represented to the Decision Makers that:

   3.1 Pyramid was incorporated under the *Business Corporations Act* (Alberta) (the "ABCA") on December 6, 1996;

   3.2 Pyramid's head office is located in Calgary, Alberta;

   3.3 Pyramid is a reporting issuer in the Jurisdictions and became a reporting issuer in Alberta on March 7, 1997 by receiving a receipt for a final prospectus;

   3.4 Pyramid is not in default of any of the requirements of the Legislation;

   3.5 the authorized capital of Pyramid consists of an unlimited number of common shares (the "Common Shares") of which there were 26,880,858 issued and outstanding on April 6, 2001;

   3.6 on February 20, 2001, Fox Energy Corporation ("Fox") made an offer to purchase all of the Common Shares, which was followed by a compulsory acquisition (the "Compulsory Acquisition") under the provisions of the ABCA;

   3.7 the Compulsory Acquisition was completed on April 11, 2001;

   3.8 Fox is now the sole holder of the Common Shares;

   3.9 the Common Shares were delisted from the Canadian Venture Exchange Inc. at the close of trading on May 17, 2001 and no securities of Pyramid are listed or quoted on any exchange or market;

   3.10 other than the Common Shares, Pyramid has no securities, including debt securities, outstanding; and

   3.11 Pyramid does not intend to seek public financing by way of an offering of its securities;

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

5. **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;

6. **THE DECISION** of the Decision Makers under the Legislation is that Pyramid is deemed to have ceased to be a reporting issuer under the Legislation.

May 18, 2001.

"Patricia M. Johnston"

2.1.2 Unicorp Inc. - MRRS Decision

Headnote

Dutch action issuer bid - With respect to securities tendered at or below the clearing price, offer providing for full take-up of and payment for shares tendered by odd lot holders, as well as additional purchases from certain shareholders in order to prevent the creation of odd lots - Offeror exempt from the requirement in the legislation to take up and pay for securities proportionately according to the number of securities deposited by each securityholder and the associated disclosure requirement - Offeror also exempt from the requirement to disclose the exact number of shares it intends to purchase.

Statutes Cited

Securities Act, R.S.O. 1990, s. S. 5, as am., ss. 95(7) and 104(2)(c).

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., s. 189(b) and Items 2 and 9 of Form 33.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF
UNICORP INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario and Quebec (collectively, the "Jurisdictions") has received an application (the "Application") from Unicorp Inc. ("Unicorp") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that, in connection with the proposed purchase by Unicorp of a portion of its outstanding Class A shares (the "Class A Shares") pursuant to an issuer bid (the "Offer"), Unicorp be exempt from the requirements in the Legislation to:

(1) take up and pay for securities proportionately according to the number of securities deposited and not withdrawn by each securityholder (the "Proportionate Take-up and Payment Requirement");

(2) provide disclosure in the issuer bid circular (the "Circular") of such proportionate take-up and payment (the "Associated Disclosure Requirement"); and

(3) state the number of securities sought under the Offer (the "Number of Securities Requirement");

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for the Application;

AND WHEREAS Unicorp has represented to the Decision Makers as follows:

1. Unicorp is governed by the *Business Corporations Act* (Ontario) (the "OBCA"), is a reporting issuer in each of the Jurisdictions and is not in default of any requirement of the Legislation in the Jurisdictions. Unicorp is also a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Manitoba and Newfoundland. Unicorp's head office is located in Ontario.

2. Unicorp's authorized capital consists of an unlimited number of Class I Preference Shares issuable in series, Class II Preference Shares issuable in series, Class III Preference Shares issuable in series, Class A Shares, Class B shares (the "Class B Shares") and common shares. As at April 11, 2001, there were 9,112,651 Class A Shares and 1,003,444 Class B Shares issued and outstanding.

3. The Class A Shares and Class B Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE"). On April 16, 2001, the last full trading day prior to the announcement of the Offer, the closing price per Class A Share on the TSE was $11.20. Based upon such closing price, the Class A Shares had an aggregate market value of approximately $102 million on April 16, 2001.

4. Holders of Class A Shares (collectively, the "Class A Shareholders") are entitled, voting separately as a class, to elect two members of Unicorp's board of directors (the "Unicorp Board") but otherwise do not have the right to vote as shareholders other than as specifically provided for in the OBCA. Holders of Class B Shares are entitled, voting separately as a class, to elect the other directors and vote on all other matters that come before a meeting of shareholders. Currently, the Unicorp Board consists of five members.

5. Westcliff Management Services Inc. ("Westcliff") owns 1,000,000 Class A Shares representing approximately 11% of the class and 300,000 Class B Shares representing approximately 30% of the class. Westcliff is a private company controlled by Ian Cockwell, the chief executive officer and a director of Unicorp. Unicorp has been advised by Westcliff that it does not intend to tender any Class A Shares to the Offer. Accordingly, if Unicorp takes up and pays for 2,000,000 Class A Shares under the Offer, Westcliff would own 14% of the outstanding Class A Shares.

6. BrasPower Equities Inc. ("BrasPower"), an indirect subsidiary of Brascan Corporation ("Brascan"), owns 2,374,320 Class A Shares representing approximately 26% of the class. Unicorp has been advised by BrasPower that it may tender up to 1,500,000 Class A

Shares to the Offer. If Unicorp takes up and pays for 2,000,000 Class A Shares under the Offer, BrasPower would own approximately:

(a) 12.3% of the class, if BrasPower tendered 1,500,000 Class A Shares to the Offer and all such Class A Shares were taken up and paid for; and

(b) 33.4% of the class, if BrasPower did not tender any Class A Shares to the Offer.

7. EdperPartners Limited ("EdperPartners") owns 750,000 Class A Shares representing approximately 8% of the class and 458,092 Class B Shares representing approximately 45.7% of the class. EdperPartners is an investment holding company with 34 shareholders, none holding more than a 15% equity interest in such company. Messrs. Dunford, a director and officer of Unicorp, and Cockwell are shareholders of EdperPartners. Edperpartners and its shareholders collectively own, directly or indirectly, exercise control or direction over or have options to acquire approximately 12% of the outstanding Class A limited voting shares and 100% of the outstanding Class B limited voting shares of Brascan. Unicorp has been advised by EdperPartners that it does not intend to tender any Class A Shares to the Offer. If Unicorp takes up and pays for 2,000,000 Class A Shares under the Offer, EdperPartners would own 10.5% of the class.

8. In connection with the Offer, the Unicorp Board retained The Hathaway Corporation ("Hathaway") to provide an independent valuation of the Class A Shares (the "Valuation"). In the Valuation, Hathaway determined that the fair market value of the Class A Shares is between $11.06 and $12.15 per Class A Share.

9. Pursuant to the Offer, Unicorp proposes to acquire approximately 2,000,000 Class A Shares, representing approximately 22% of the class, in accordance with the following modified Dutch auction procedure (the "Procedure"), as disclosed in the Circular sent by Unicorp to each Class A Shareholder:

(a) The Circular specifies that the aggregate number of Class A Shares (the "Specified Number") that Unicorp intends to purchase under the Offer is 2,000,000, excluding any Class A Shares that Unicorp intends to purchase in accordance with the procedures described in subparagraph 9(l) below.

(b) The Circular specifies that the range of prices (the "Range") within which Unicorp is prepared to purchase Class A Shares under the Offer is $10.00 to $11.50 per Class A Share.

(c) Class A Shareholders wishing to tender to the Offer will be able to specify the lowest price within the Range at which they are willing to sell their Class A Shares (an "Auction Tender").

(d) Class A Shareholders wishing to tender to the Offer but not wishing to make an Auction Tender may elect to be deemed to have tendered at the Clearing Price determined in accordance with subparagraph 9(f) below (a "Purchase Price Tender").

(e) All Class A Shares tendered by Class A Shareholders who fail to specify any tender price for such Class A Shares and fail to indicate that they have tendered their Class A Shares pursuant to a Purchase Price Tender will be considered to have been tendered pursuant to a Purchase Price Tender.

(f) The purchase price (the "Clearing Price") of the Class A Shares tendered to the Offer and not withdrawn will be the lowest price that will enable Unicorp to purchase the Specified Number of Class A Shares and will be determined based upon the number of Class A Shares tendered and not withdrawn pursuant to an Auction Tender at each price within the Range and the number of Class A Shares tendered and not withdrawn pursuant to a Purchase Price Tender, with each Purchase Price Tender being considered a tender at the lowest price in the Range for the purpose of calculating the Clearing Price.

(g) The aggregate amount that Unicorp will spend pursuant to the Offer will not be ascertained until the Clearing Price is determined.

(h) All Class A Shares tendered at prices above the Clearing Price will be returned to the appropriate Class A Shareholders.

(i) All Class A Shares tendered by Class A Shareholders who specify a tender price for such tendered Class A Shares that falls outside the Range will be considered to have been improperly tendered, will be excluded from the determination of the Clearing Price, will not be purchased by Unicorp and will be returned to the appropriate Class A Shareholders.

(j) If the aggregate number of Class A Shares validly tendered to the Offer and not withdrawn is less than or equal to the Specified Number, Unicorp will take up and pay for all Class A Shares so deposited.

(k) If the aggregate number of Class A Shares validly tendered to the Offer at or below the Clearing Price and not withdrawn exceeds the Specified Number (an "Over-Subscription"), Unicorp will take up and pay for such tendered Class A Shares on a *pro rata* basis. Subject to paragraph 9(l) below, any Class A Shares validly tendered to the Offer at or below the Clearing Price, not withdrawn and not taken up by Unicorp in accordance with this procedure will be returned to the appropriate Class A Shareholders.

(l) If an Over-Subscription occurs and in order to avoid the creation of "odd lots" as a result of proration, the number of Class A Shares to be purchased from each Class A Shareholder who validly tenders Class A Shares at or below the Clearing Price and does not withdraw such Class A Shares will be rounded up as follows. In addition to the Specified Number, Unicorp will purchase an additional number of Class A Shares at the Clearing Price from each such tendering Class A Shareholder equal to the minimum number of Class A Shares necessary such that the number of Class A Shares not purchased from such Class A Shareholder as a result of proration (the "Return Number") will be a whole multiple of 100, except that, if the Return Number for any such Class A Shareholder is less than 100, Unicorp will purchase from each such Class A Shareholder that number of Class A Shares equal to the Return Number. Multiple tenders by a Class A Shareholder at or below the Clearing Price will be aggregated for this purpose.

10. Prior to the expiry of the Offer, all information regarding the number of Class A Shares tendered and the prices at which such Class A Shares are tendered will be kept confidential, and the depositary will be directed by Unicorp to maintain such confidentiality until the Clearing Price is determined.

11. Unicorp expects that, following successful completion of the Offer:

(a) Unicorp would continue to satisfy the TSE's rules and regulations relating to the continued listing of the Class A Shares; and

(b) there would be a market for beneficial owners of the Class A Shares who did not tender to the Offer that was not materially less liquid than the market that existed at the time the Offer was made.

12. Since the Offer is for fewer than all the Class A Shares, if the number of Class A Shares tendered to the Offer at or below the Clearing Price and not withdrawn exceeds the Specified Number, the Proportionate Take-up and Payment Requirement would require Unicorp to take up and pay for deposited Class A Shares proportionately, according to the number of Class A Shares deposited and not withdrawn by each Class A Shareholder. In addition, the Associated Disclosure Requirement would require disclosure in the Circular that Unicorp would, if Class A Shares tendered to the Offer and not withdrawn exceeded the Specified Number, take up such Class A Shares proportionately according to the number of Class A Shares tendered and not withdrawn by each Class A Shareholder.

13. Unicorp cannot comply with the Number of Securities Requirement because it cannot specify the number of Class A Shares it will acquire pursuant to the procedure described in paragraph 9(l) above.

14. The Circular:

(a) discloses the mechanics for the take-up of and payment for, or the return of, Class A Shares as described in paragraph 9 above;

(b) explains that, by tendering Class A Shares at the lowest price in the Range or pursuant to a Purchase Price Tender, a Class A Shareholder can reasonably expect that the Class A Shares so tendered will be purchased at the Clearing Price, subject to proration as described in paragraph 9 above;

(c) attaches as a schedule to the Circular the full text of the Valuation; and

(d) except to the extent exemptive relief is granted by this decision, contains the disclosure prescribed by the Legislation for issuer bids;

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

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

THE DECISION of the Decision Makers in the Jurisdictions pursuant to the Legislation is that, in connection with the Offer, Unicorp is exempt from the Proportionate Take-up and Payment Requirement, the Associated Disclosure Requirement and the Number of Securities Requirement, provided that Class A Shares tendered to the Offer and not withdrawn are taken up and paid for, or returned to Class A Shareholders, in accordance with the Procedure.

May 25, 2001.

"J. A. Geller" "R. Stephen Paddon"

2.1.3 iUnits S&P 500 RSP Index Fund & Barclays Global Investors Canada Limited - MRRS Decision

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

AND

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

AND

IN THE MATTER OF
iUNITS S&P 500 RSP INDEX FUND
AND
BARCLAYS GLOBAL INVESTORS CANADA LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Prince Edward Island. New Brunswick, Newfoundland, the Yukon Territory, the Northwest Territories and Nunavut (the "Jurisdictions") received an application from the iUnits S&P 500 RSP Index Fund (the "Fund") and Barclays Global Investors Canada Limited ("Barclays") (together, the "Applicants") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that

(a) the registration requirement of the Legislation does not apply to Barclays and the Fund, in connection with their proposed dissemination of sales communications relating to the distribution of securities of the Fund, and

(b) in connection with the proposed distribution of securities of the Fund pursuant to a prospectus, the Fund is exempt from the requirement of the Legislation that its prospectus and any renewal thereof contain a certificate of the underwriter or underwriters who is/are in a contractual relationship with the Fund;

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 the Applicants have represented to the Decision Makers as follows:

1. The Fund is a trust established under the laws of Ontario, with Barclays as the trustee. Barclays' head office is located in Toronto, Ontario.

2. Barclays is registered in all provinces and territories, other than the Yukon Territory, as a portfolio manager and investment counsel (or the equivalent categories of registration) under the Legislation of such Jurisdictions.

3. The investment objective of the Fund is to provide long term growth in capital by replicating, to the extent possible, the performance of the S&P 500 Index (the "S&P Index")

4. To achieve its investment objective, the Fund will invest primarily in exchange-traded futures contracts based on the S&P Index, and in high-quality short-term money market instruments.

5. The Fund will issue units of beneficial interest (the "Units"), which will confer on investors a proportionate share of economic benefits similar to those that investors could obtain through individual investments in the securities comprising the S&P Index. The Units of the Fund are not expected to constitute "foreign property" under the *Income Tax Act* (Canada).

6. The Fund has filed a preliminary prospectus dated April 6, 2001, with all provinces and territories of Canada, in order to qualify the distribution of its Units to the public on a continuous basis. Upon issuance of a receipt for the Fund's (final) prospectus, the Fund will become a "reporting issuer" under the Legislation of each Jurisdiction where such term is applicable.

7. The Units may be purchased directly from the Fund only by one or more registered dealers or brokers who are also members of the Toronto Stock Exchange (the "Exchange") and who have entered into an underwriting agreement with the Fund (the "Underwriters"). Payment for the purchase price of the Units will be made in cash.

8. On the first day on which the Fund accepts purchase orders from the Underwriters, the price will be $20.00 per Unit. Thereafter, Units of the Fund will be issued to the Underwriters, pursuant to purchase orders, at the Fund's net asset value (the "NAV") per Unit next determined after receipt of the purchase orders.

9. The Underwriters will not receive any fees or commissions in connection with each Fund's issuance of Units to them. Barclays may, at its discretion charge transaction and/or administration fees on the issuance of Units to the Underwriters. As trustee of the Fund, Barclays may also require the Underwriters to compensate the Fund for brokerage commissions incurred in purchasing portfolio assets with the subscription proceeds.

10. The NAV per Unit of the Fund will be calculated and published daily.

11. The Units of the Fund will be listed and posted for trading on the Exchange.

12. Except as described in paragraph 7 above, the Units may not be purchased directly from the Fund. Investors are generally expected to purchase Units of the Fund through the facilities of the Exchange. However, Units

of the Fund will be issued directly to its unitholders (the "Unitholders") upon the reinvestment of the Fund's distributions of income or capital gains.

13. Unitholders who wish to dispose of their Units may generally do so by selling such Units on the Exchange. However, a Unitholder may redeem for cash a prescribed number of Units (the "Prescribed Redemption Number") or a number of units greater than the Prescribed Redemption Number, at a redemption price per Unit equal to the NAV per Unit of the Fund on the effective redemption date. A Unitholder may also redeem for cash a number of Units that is less than the Prescribed Redemption Number, at a redemption price per Unit equal to 95% of the closing trading price of the Fund's Units on the Exchange on the effective redemption date.

14. As trustee of the Funds, Barclays will be entitled to receive from the Fund an annual fee (the "Trustee Fee") equal to 0.30% of the NAV of the Fund. Barclays will be responsible for the payment of the expenses of the Fund, except for the Trustee Fee, brokerage commissions and any withholding taxes and income taxes.

AND WHEREAS under the System, this MRRS Decision Document evidences the decisions of the Decision Makers (collectively the "Decision");

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

THE DECISION of the Decision Makers under the Legislation is that

(a) the registration requirement of the Legislation does not apply to Barclays and the Fund, in connection with any dissemination of sales communication relating to the distribution of Units of the Fund, provided that they comply with Part 15 of National Instrument 81-102 Mutual Funds; and

(b) in connection with the proposed distribution of Units of the Fund pursuant to a prospectus, the Fund is exempt from the requirement of the Legislation that its prospectus and any renewal thereof contain a certificate of the Underwriters who are in a contractual relationship with the Fund.

April 30, 2001.

"Paul M. Moore" "Stephen N. Adams"

2.1.4 Counsel Group of Funds Inc. et al. - MRRS Decision

Headnote

Investment by mutual funds in portfolio of specified mutual funds, only one of which is under common management, exempted from the self-dealing prohibitions in clause 111(2)(b) and subsection 111(3), and from reporting requirements of clauses 117(1)(a) and 117(1)(d), subject to specified conditions. Future-oriented relief granted.

Statutes Cited

Securities Act, R.S.O. 1990 c.S.5, as am., ss. 111(2)(b), 111(3), 117(1)(a) and 117(1)(d).

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

AND

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

AND

IN THE MATTER OF
COUNSEL GROUP OF FUNDS INC.

AND

COUNSEL SELECT CANADA PORTFOLIO
COUNSEL SELECT VALUE PORTFOLIO

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (the "Participating Jurisdictions") has received an application (the "Application") from Counsel Group of Funds inc., (the "Manager") in its own capacity and on behalf of Counsel Select Canada Portfolio, Canada Select Value Portfolio and other mutual funds (the "Top Funds") to be created and managed by the Manager after the date of this decision ("Decision") having an investment objective or strategy of investing directly in other prospectus-qualified, specified mutual funds for a Decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following prohibitions or requirements under the Legislation (the "Applicable Requirements") shall not apply to the Top Funds or the Manager, as the case may be, in connection with the investments by the Top Funds directly in securities of Mackenzie Cundill Canadian Security Fund, Fidelity Disciplined Equity Fund, Synergy Canadian Momentum Class, AGF International Stock Class, Counsel Focus Value Portfolio and such other prospectus-qualified, specified mutual funds

which the Top Funds may invest in from time to time (the "Underlying Funds"):

1. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making and 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; and

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

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 it has been represented by the Manager to the Decision Makers that:

(a) The Manager is a corporation established under the laws of the Province of Ontario and will act as the manager and promoter of the Top Funds.

(b) The Top Funds will be open-end mutual fund trusts established under the laws of the Province of Ontario. Units of the Top Funds will be qualified for distribution under a (final) simplified prospectus and annual information form (collectively, the "Prospectus") to be filed with and accepted by the Decision Maker in each of the Participating Jurisdictions.

(c) The Top Funds will be reporting issuers in each of the Participating Jurisdictions and are not in default of any requirements of the Legislation.

(d) To achieve their respective investment objectives, each Top Fund will invest all their assets, excluding cash and cash equivalents held to meet redemptions and expenses, in securities of the Underlying Funds. The investment objective of an Underlying Fund will align with the investment objective of the corresponding Top Fund.

(e) The amount a Top Fund may invest in an Underlying Fund is referred to as its fixed percentage ("Fixed Percentage"). A Fixed Percentage (referred to in the Prospectus as an "Investment Allocation") has been established for each of the Underlying Funds which is subject to a +/-2.5% deviation (the "Permitted Range") due solely to market fluctuations.

(f) The Prospectus for the Top Funds will disclose the name, investment objective, investment strategy, risk and restrictions of the Top Funds and the Underlying Funds, and the Fixed Percentage and the Permitted Range for each Underlying Fund. Where an Underlying Fund or Fixed Percentage is changed, the Manager will amend the Prospectus in accordance with securities legislation to reflect this significant change, or will file a new simplified prospectus reflecting the significant change within ten days thereof, and will provide 60 days' notice of the change to unitholders of the relevant Top Fund.

(g) The Underlying Funds are or will be open-end mutual fund trusts or a class of shares of a mutual fund corporation. The Underlying Funds are or will be established under the laws of a Province of Canada. Securities of the Underlying Funds are or will be qualified in the jurisdiction of a Decision Maker for distribution pursuant to a simplified prospectus and annual information form which has been filed with and accepted by the Decision Makers. The Underlying Funds are or will be reporting issuers in each of the Participating Jurisdictions and are not in default of any requirement of the Legislation.

(h) The Top Funds will not invest in any mutual fund whose investment objective includes investing in other mutual funds.

(i) There are compatible dates for the calculation of the net asset value of the Top Funds and the Underlying Funds for the purpose of the issue and redemption of securities of such mutual funds.

(j) The arrangements between the Top Funds and Underlying Funds will avoid the duplication of management fees and operating expenses. Either no management fee will be charged by the Underlying Funds' manager in connection with the securities held by the Top Fund or the management fee charged by the Underlying Funds' manager will be reduced through the payment of a management fee distribution or the use of a class of securities with a lower management fee than is available to the general investing public, with the result that, except as described below, the aggregate of the management fees payable by the Top Fund at the Underlying Fund level and the management fee payable to the Top Fund level will not exceed the management fee which is otherwise charged indirectly to the general investing public at the Underlying Fund level.

(k) There will be no charges levied on the purchase or redemption of securities of an Underlying Fund by a Top Fund and no trail commissions or other payments will be paid or received in respect of securities of the Underlying Funds held by the Top Funds.

(l) The voting rights attaching to securities of the Underlying Funds will be passed through by the Manager to unitholders of the applicable Top Fund. In the event of any notice to securityholders of an Underlying Fund being given in respect of a matter for which notice is required by law or the constating documents of an Underlying Fund, such notice will also be delivered to the unitholders of the applicable Top Fund. If a securityholders' meeting is called for an Underlying Fund (other than regular business conducted at an annual meeting of an Underlying Fund which is a corporation), all of the disclosure and notice

materials delivered in connection with such meeting will also be provided to the unitholders of the affected Top Fund and such unitholders will be entitled to direct how their pro rata share of the Top Fund's securities in the applicable Underlying Fund are to be voted. The Manager will not be permitted to vote its holdings in the applicable Underlying Fund except as directed by unitholders of the Top Fund.

(m) Unitholders of a Top Fund will receive the audited annual, and upon request, the semi-annual financial statements of the Top Funds which will include appropriate summary disclosure in respect of the Top Fund's holding of securities of the Underlying Funds in the financial statements of each Top Fund.

(n) Except to the extent evidenced by this Decision and specific approvals granted or to be granted by the Decision Makers pursuant to National Instrument 81-102 ("NI 81-102"), the investment by each Top Fund in an Underlying Fund will be structured to comply with the investment restrictions of the Legislation and NI 81-102.

(o) In the absence of this Decision, the Legislation requires the Manager to file a report on every purchase or sale of securities of the Underlying Funds by the Top Funds.

(p) In the absence of this Decision, pursuant to the Legislation, each Top Fund is prohibited from (a) knowingly making an investment in securities of the Underlying Funds to the extent that a Top Fund, either alone or in combination with other mutual funds managed by the Manager, is a substantial securityholder; and (b) knowingly holding an investment referred to in subsection (a) hereof. As a result, in the absence of this Decision, each Top Fund would be required to divest itself of any investments referred to in subsection (a) hereof.

(q) The investments by each of the Top Funds in securities of the Underlying Funds represent the business judgment of "responsible persons" (as defined in the Legislation), uninfluenced by considerations other than the best interests of each of the Top Funds.

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

AND WHEREAS each of the Decision Makers are 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 Applicable Requirements shall not apply so as to prevent the Top Funds or the Manager, as the case may be, from making and holding an investment in securities of the Underlying Funds or require the Manager to file a report relating to the purchase or sale of such securities;

PROVIDED IN EACH CASE THAT:

1. The Decision as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the matters in subsection 2.5 of NI 81-102; and

2. the Decision shall only apply if, at the time a Top Fund makes or holds an investment in its Underlying Funds, the following conditions are satisfied:

   (a) the securities of both the Top Funds and the Underlying Funds are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form which have been filed with and accepted by the Decision Maker;

   (b) the investment by a Top Fund in the Underlying Funds is compatible with the investment objective of the Top Fund;

   (c) the investment objective of the Top Fund discloses that the Top Fund invests in securities of other mutual funds;

   (d) the Prospectus discloses the intent of the Top Fund to invest its assets (exclusive of cash and cash equivalents) in securities of the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Ranges within which such Fixed Percentages may vary;

   (e) the Underlying Funds are not mutual funds whose investment objective includes investing directly or indirectly in other mutual funds;

   (f) the Top Funds' holdings of securities of the Underlying Funds do not deviate from the Permitted Ranges;

   (g) any deviation from the Fixed Percentages is caused by market fluctuations only;

   (h) if an investment by a Top Fund in any of the Underlying Funds has deviated from the Permitted Ranges as a result of market fluctuations, the Top Fund's investment portfolio was re-balanced to comply with the Fixed Percentage on the next day on which the net asset value was calculated following the deviation;

   (i) if the Fixed Percentages or the Underlying Funds which are disclosed in the Prospectus are changed, either the Prospectus has been amended in accordance with securities legislation to reflect this significant change, or a new simplified prospectus reflecting the significant change has been filed within ten days thereof, and the securityholders of the Top Funds have been given at least 60 days' notice of the change;

(j) there are compatible dates for the calculation of the net asset value of the Top Funds and the Underlying Funds for the purpose of the issue and redemption of the securities of such mutual funds;

(k) no sales charges are payable by the Top Funds in relation to their purchases of securities of the Underlying Funds;

(l) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by a Top Fund of securities of the Underlying Fund owned by the Top Fund;

(m) no fees or charges of any sort are paid by a Top Fund and the Underlying Funds, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the purchase, holding or redemption by a Top Fund of the securities of the Underlying Funds;

(n) the arrangements between or in respect of the Top Funds and the Underlying Funds are such as to avoid the duplication of management fees;

(o) any notice provided to securityholders of an Underlying Fund, as required by applicable laws or the constating documents of that Underlying Fund, has been delivered by a Top Fund to its securityholders along with all voting rights attached to the securities of the Underlying Fund which are directly owned by the Top Fund;

(p) all of the disclosure and notice material prepared in connection with a meeting of securityholders of an Underlying Fund and received by a Top Fund has been provided to its securityholders, the securityholders have been permitted to direct a representative of the Top Fund to vote its holdings in the Underlying Fund in accordance with their direction, and the representative of the Top Fund has not voted its holdings in the Underlying Funds except to the extent the securityholders of the Top Fund have directed;

(q) in addition to receiving the annual and, upon request, the semi-annual financial statements, of a Top Fund, securityholders of the Top Funds have received appropriate summary disclosure in the financial statements of each Top Fund in respect of that Top Fund's holdings of securities of the Underlying Funds in the financial statements of the Top Funds; and

(r) to the extent that the Top Funds and the Underlying Funds do not use a combined simplified prospectus and annual information form containing disclosure about the Top Funds and the Underlying Funds, copies of the simplified prospectus and annual information form of the Underlying Funds have been provided upon request to securityholders of the Top Funds and this right is disclosed in the Prospectus of the Top Funds.

May 30, 2001.

"John Geller" "Robin W. Korthals"

2.1.5 Delaney Energy Services Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer in the process of being taken over with only one security holder remaining - issuer will file audited consolidated financial statements on SEDAR - issuer relieved from obligation to deliver these documents to security holders.

Applicable Ontario Statutory Provision

Securities Act, R.S.O. 1990, c.S.5, as am, ss. 6(3), ss.78, 79, 80(b)(iii).

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

AND

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

AND

IN THE MATTER OF
DELANEY ENERGY SERVICES CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia and Alberta (the "Jurisdictions") has received an application from Delaney Energy Services Corporation ("Delaney" or the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation for Delaney to send to its shareholders its comparative annual audited financial statements and the auditor's report thereon relating to its financial year ended December 31, 2000 (the "2000 Financial Statements") as required by the Legislation shall not apply to Delaney on the basis described below;

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

AND WHEREAS Delaney has represented to the Decision Makers that:

1. Delaney is a corporation incorporated under the laws of the Province of Alberta.

2. The registered office of the Corporation is 1515, 333-11th Avenue S.W. Calgary, Alberta, T2R 1L9.

3. Delaney is a reporting issuer, or the equivalent thereof, under the Legislation and is not, to its knowledge, in default, of any applicable requirement of the Legislation.

4. The common shares of Delaney ("Delaney Shares") are listed and posted for trading on the Canadian Venture Exchange Inc.

5. The authorized capital of Delaney consists of an unlimited number of Delaney Shares and an unlimited number of preferred shares issuable in series. As of the date hereof, 19,196,712 Delaney Shares are issued and outstanding.

6. The fiscal year end for the Corporation is December 31.

7. Delaney is a reporting issuer that is required to concurrently send to its shareholders every financial statement required to be filed under the Legislation.

8. Delaney's Board of Directors has approved its 2000 Financial Statements for the year ended December 31, 2000 and a press release in respect of the 2000 Financial Statements was issued on May 8, 2001.

9. Delaney intends to file the 2000 Financial Statements on or before May 22, 2001.

10. No material changes have occurred in the affairs of Delaney which would be required to be disclosed which have not been publicly disclosed.

11. On March 21, 2001, Integrated Production Services Ltd. ("IPS") made an offer to purchase all of the outstanding Delaney Shares for $1.05 for each Delaney Share, as extended and varied on May 1, 2001 (the "Offer"). On May 7, 2001, Delaney and IPS entered into an acquisition agreement (the "Acquisition Agreement") whereby IPS agreed to extend the Offer and Delaney agreed to recommend acceptance of the Offer by Delaney shareholders.

12. Shareholders of Delaney representing, in the aggregate, over 60% of the Delaney Shares have entered into agreements with IPS whereby such shareholders have agreed to tender their Delaney Shares to the Offer.

13. Pursuant to the extension of the Offer, the Offer will expire on May 22, 2001.

14. Delaney is not aware of any competing proposals to the Offer. Delaney expects that the Offer will be successful on May 22, 2001 and IPS will acquire all of the issued and outstanding Delaney Shares shortly thereafter.

15. Delaney expects IPS will be the only holder of Delaney securities on or before May 31, 2001.

16. Delaney filed and concurrently mailed to all holders of Delaney Shares a directors' circular (the "Directors' Circular") that recommends acceptance of the Offer. The Directors' Circular contains current information relating to the directors and senior officers of Delaney.

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 Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that Delaney is exempt from the requirement to send to the shareholders of Delaney the 2000 Financial Statements provided that:

(a) Delaney will file, on or before May 22, 2001, the 2000 Financial Statements with each Decision Maker that requires such filing;

(b) Delaney will issue and file a press release concurrently with the filing of the 2000 Financial Statements, disclosing that such statements have been filed and are available to securityholders upon request, and stating the reasons why the financial statements are not being concurrently sent to security holders;

(c) in the event that anyone other than IPS holds securities of Delaney on June 11, 2001, then on that day, Delaney will send to all securityholders of Delaney the 2000 Financial Statements.

DATED in Alberta on May 22, 2001.

"Agnes Lau"

2.1.6 Unican Security Systems Limited - MRRS Decision

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN,
ONTARIO, QUEBEC, NOVA SCOTIA AND
NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF
UNICAN SECURITY SYSTEMS LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Unican Security Systems Limited (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Filer be deemed to have ceased to be a reporting issuer under the Legislation;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Commission des valeurs mobilières du Québec is the principal regulator for this application;

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

1. the Filer was formed under the laws of Canada, is a reporting issuer in each of the Jurisdictions and is not in default of any of the requirements of the Legislation;

2. the Filer's head office is located in Montréal, Québec;

3. the authorized capital of the Filer consists of an unlimited number of Class A Voting Shares (the "Class A Shares") and an unlimited number of Class B Subordinate Voting Shares (the "Class B Shares" and, together with the Class A Shares, the "Shares"). As at the date hereof, the Filer had issued and outstanding 5,024,175 Class A Shares and 16,867,119 Class B Shares;

4. on March 12, 2001, Kaba Holding A.G., through its wholly-owned subsidiary USSL Acquisitionco Inc. ("USSL"), made an offer (the "Offer") dated March 8, 2001, to acquire all of the issued and outstanding Shares of the Filer not already owned by USSL or its affiliates and associates. The Offer expired on April 3, 2001, and over 90% of the outstanding Shares not already owned by USSL or its affiliates and associates were tendered into the Offer. On April 12, 2001, USSL

took up and paid for all of the Shares tendered under the Offer;

5. USSL is a private company incorporated under the *Canada Business Corporations Act* (the "CBCA");

6. on April 12, 2001, pursuant to the compulsory acquisition procedures under section 206 of the CBCA, USSL acquired all of the remaining Shares of the Filer not already owned by USSL or its affiliates and associates;

7. at the time of the Offer, the Filer's Class A Shares and Class B Shares were listed and posted for trading on the Toronto Stock Exchange ("TSE") under the respective stock symbols "UCS.A" and "UCS.B". The Shares were delisted from the TSE effective April 16, 2001 and no securities of the Filer are listed or quoted on any exchange or market;

8. as a result of the acquisition of Shares described at paragraphs 4 and 6, USSL is the sole security holder of the Filer;

9. the Filer has no other securities, including debt securities, outstanding; and

10. the Filer does not intend to seek public financing by way of an offering of its securities.

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 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.

DATED at Montréal, Québec this May 23, 2001.

"Edvie Élysée"

2.1.7 Decoma International Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer is a connected issuer, but not a related issuer, in respect of registrants that are underwriters in proposed distribution of units by the issuer - Underwriters exempt from the independent underwriter requirement in the legislation provided that issuer not in financial difficulty.

Applicable Ontario Regulations

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 219(1), 224(1)(b) and 233.

Applicable Ontario Rules

Proposed Multi-Jurisdictional Instrument 33-105 *Underwriting Conflicts* (published for comment February 6, 1998).

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, NEWFOUNDLAND, ONTARIO AND QUEBEC

AND

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

AND

IN THE MATTER OF
RBC DOMINION SECURITIES INC. SALOMON SMITH BARNEY INC., CIBC WORLD MARKETS INC., TD SECURITIES INC., BMO NESBITT BURNS INC. AND SCOTIA CAPITAL INC.

AND

DECOMA INTERNATIONAL INC.

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Alberta, British Columbia, Newfoundland, Ontario and Quebec (the "Jurisdictions") has received an application from RBC Dominion Securities Inc. ("RBC"), Salomon Smith Barney Canada Inc. ("Salomon"), CIBC World Markets Inc. ("CIBCWM"), TD Securities Inc. ("TDS"), BMO Nesbitt Burns Inc. ("BMONB") and Scotia Capital Inc. ("Scotia") (collectively, the "Filers") for a decision, pursuant to the securities legislation of each of the Jurisdictions (collectively, the "Legislation"), that the requirement (the "Independent Underwriter Requirement") contained in the Legislation which restricts a registrant from acting as an underwriter in connection with a distribution of securities of an issuer made by means of prospectus, where the issuer is a connected issuer (or the equivalent) of the registrant unless a portion of the distribution at least equal to

that portion underwritten by non-independent underwriters is underwritten by an independent underwriter, shall not apply to the Filers in respect of a proposed distribution (the "Offering") of Class A Subordinate Voting Shares (the "Offered Securities") of Decoma International Inc. (the "Issuer"), pursuant to a prospectus (the "Prospectus");

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

AND WHEREAS the Filers have represented to the Decision Makers that:

1. The name of the Issuer is Decoma International Inc.

2. The Issuer is a reporting issuer under the Legislation of each Jurisdiction and is not is default of any requirements of the Legislation.

3. The business of the Issuer is the manufacture and supply of exterior appearance systems for the North American and European automotive industries.

4. The Company was incorporated under the *Business Corporations Act* (Ontario) on July 30, 1997 and its head and registered office is located at 50 Casmir Court, Concord, Ontario L4K 4J5.

5. The Class A Subordinate Voting Shares of the Issuer are listed on the Toronto Stock Exchange and the Nasdaq.

6. The head office of the lead underwriter (i.e., RBC) for the Offering is in Toronto, Ontario.

7. The authorized capital of the Company is currently comprised of an unlimited number of Shares, an unlimited number of Class B Shares, an unlimited number of Preferred Shares which are issuable in series. As at December 31, 2000, 19,551,649 Shares, 31,909,091 Class B Shares and 3,500,000 Preferred Shares were issued and outstanding.

8. The Issuer filed an amended preliminary prospectus (the "Preliminary Prospectus") dated May 10, 2001 in the Jurisdictions. On May 11, 2001, a preliminary mutual reliance review system decision document was issued by the OSC, as principal regulator under National Policy 43-201, evidencing the issuance of receipts for the Preliminary Prospectus by the Decision Maker in each of the provinces of Canada (other than Quebec). A receipt dated May 11, 2001 was issued in respect of the Preliminary Prospectus by the Quebec Securities Commission.

9. The Filers along with Griffiths McBurney & Partners ("GMP") (collectively, the "Underwriting Syndicate") are proposing to act as underwriters in connection with the Offering. The Offered Securities offered pursuant to the Offering are expected to be allocated to the Underwriting Syndicate in the following proportions:

RBC	-	22.5%
Salomon	-	12.5%
CIBCWM	-	17.5%
TDS	-	17.5%
BMONB	-	12.5%
Scotia	-	12.5%
GMP	-	5.0%

10. RBC is a direct wholly-owned subsidiary of a Canadian chartered bank ("RBC Bank") which provides credit facilities to the Issuer in an aggregate amounts of Cdn.$215 million and £2 million. Consequently, the Issuer may, in connection with the Offering, be considered a connected issuer (or equivalent) in respect of RBC under the Legislation. As at March 31, 2001, the Issuer and its subsidiaries had approximately Cdn.$113 million of debt outstanding under such credit facilities.

11. Salomon is a direct wholly-owned subsidiary of a Canadian chartered bank ("Salomon Bank") which provides credit facilities to the Issuer in an aggregate amount of Euro$40 million and Cdn.$15 million. Consequently, the Issuer may, in connection with the Offering, be considered a connected issuer (or equivalent) in respect of Salomon under the Legislation. As at March 31, 2001, the Issuer and its subsidiaries had approximately Cdn.$10 million of debt outstanding under such credit facilities.

12. RBC and Salomon and their banking affiliates have been arranging for the syndication of a credit facility in the amount of up to Cdn.$300 million and have invited other banks affiliated with the Filers to join the lending syndicate (the "Lending Syndicate") which will provide credit facilities to the Issuer. Based on this, the Issuer may, in connection with the Offering, be considered a connected issuer (or equivalent) of each of the Filers.

13. The nature and details of the relationship between the Issuer, RBC and RBC Bank and between the Issuer, Salomon and Salomon Bank are described in the Preliminary Prospectus and will be described in the Prospectus. As the composition of the credit facility described in paragraph 12 has not been completed and is not expected to be completed prior to the filing of the Prospectus, the Prospectus will disclose the nature of the proposed credit facility described in paragraph 12 and the nature and details of any potential relationship between the Issuer and the Filers and other affiliated banks which may arise as a result of that credit facility.

14. None of RBC Bank, Salomon Bank or the Lending Syndicate participated in, nor will they participate in, the decision to make the Offering or in the determination of its terms.

15. The Filers will not benefit in any manner from the Offering other than the payment of their underwriting fees in connection with the Offering.

16. The Issuer is not a related issuer (or equivalent) of the Filers or any of the other members of the Underwriting Syndicate.

17. The Prospectus will contain the information specified in Appendix "C" of draft Multi-Jurisdictional Instrument 33-105 *Underwriting Conflicts* (the "Proposed Instrument").

18. The Issuer is not a "specified party" as defined in the Proposed Instrument.

AND WHEREAS pursuant to 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 Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers, under the Legislation, is that the Independent Underwriter Requirement shall not apply to the Filers in connection with the Offering provided the Issuer is not a related Issuer, as defined in the Proposed Instrument, to the Filers at the time of the Offering and is not a specified party, as defined in the Proposed Instrument, at the time of the Offering.

May 31, 2001.

"Howard Wetston" "Paul Moore"

2.1.8 Laurentian Bank Securities Inc. & The Laurentian Bank of Canada - MRRS Decision

Headnote

MRRS - Relief from independent underwriter requirements of securities legislation is in connection with an offering by related and connected issuer subject to certain conditions.

Applicable Ontario Statutory Provisions

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

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am.,s. 233.

Policies Cited

Proposed Multi-Jurisdictional Instrument 33-105 - Underwriting Conflicts.

IN THE MATTER OF
THE SECURITIES LEGISLATION OF THE BRITISH COLUMBIA,
ALBERTA, ONTARIO, QUÉBEC AND NEWFOUNDLAND

AND

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

AND
IN THE MATTER OF
LAURENTIAN BANK SECURITIES INC.
AND THE LAURENTIAN BANK OF CANADA

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Ontario, Québec and Newfoundland (the "Jurisdictions") has received an application from Laurentian Bank Securities Inc. (the "Applicant") for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirement (the "Independent Underwriter Requirement") contained in the Legislation which restricts a registrant from acting as an underwriter in connection with the distribution of securities of a related issuer will not apply to the Applicant in connection with the proposed public offering of Series 9 Debentures (the "Offering") of the Laurentian Bank of Canada (the «Issuer») by means of a prospectus.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Commission des valeurs mobilières du Québec is the principal regulator for this application;

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

1. The Issuer is a Canadian chartered bank with activities across Canada and is constituted pursuant to the Bank Act (Canada). Its head offices are located at 1981 McGill College Avenue, Montreal, Québec. On November 12, 1997, the Issuer was continued as a listed bank in Schedule I of the Bank Act (Canada).

2. The Issuer is a reporting issuer under the Legislation and is not in default of any requirement of the Legislation.

3. The Issuer intends to file a preliminary prospectus (the «Preliminary Prospectus») within the next few days and also intends to file a final prospectus («Prospectus») during May 2001 in order to qualify the Offering.

4. The Issuer intends to enter into an underwriting agreement with the Applicant and, at least one other underwriter (collectively, the «Underwriters»), pursuant to which the Issuer will agree to create, issue and sell the Debentures and the Underwriters will purchase said Debentures.

5. At least one independent underwriter (an «Independent Underwriter»), as defined in draft Multi-Jurisdictional Instrument 33-105 *Underwriting Conflict* (the «Proposed Instrument»), will subscribe to at least 20 % of the Offering.

6. The Issuer is considered to be a related issuer (or its equivalent) of the Applicant, as defined in the Legislation for the purpose of the Offering because the Applicant is a wholly-owned subsidiary of the Issuer.

7. The Issuer will not, at the time of the Offering, be a related issuer of any of the Independent Underwriters.

8. Because the Issuer is a related and connected issuer of the Applicant, the proposed underwriting syndicate will not comply with the applicable requirements under the Legislation.

9. The Applicant is registered under the applicable regulations in the categories of broker and investment dealer.

10. The requirement that an Independent Underwriter be part of the underwriting syndicate will be fulfilled since the Independent Underwriters will subscribe to at least 65% of the Offering and an Independent Underwriter will subscribe to at least 20% of the Offering.

11. The Prospectus shall include the following information:

    (a) the information requested in Appendix C of the Proposed Instrument;

    (b) a statement to the effect that an Independent Underwriter is subscribing to at least 20% of the Offering and that such Independent Underwriter has actively participated in the due diligence process and in the pricing of the Offering. Each Underwriter, including the Independent Underwriters, will execute the certificate pages in the Prospectus; and

    (c) the Independent Underwriters will be identified in the Prospectus and their role in the structuring and pricing of the Offering and in the due diligence activities performed by the Underwriters shall be described in the Prospectus.

12. The nature and details of the relationship between the Issuer and the Applicant is described in the Preliminary Prospectus.

13. The Applicant will receive no benefit other than the payment of its portion of its underwriter's fees in connection with the Offering.

AND WHEREAS pursuant to 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 Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers, pursuant to the Legislation, is that the Independent Underwriter Requirement shall not apply to the Applicant in connection with the Offering provided that:

1. the Independent Underwriters participate in the Offering as stated in paragraph 5 above;

2. the Issuer shall disclose in its prospectus the information required by Appendix C of the Proposed Instrument;

3. the Prospectus shall describe the relationship between the Issuer and the Underwriters; and

4. the Prospectus will describe the role played by the Independent Underwriters in the structuring and pricing of the Offering and in the due diligence process.

May 22, 2001.

"M^{e} Jean Lorrain"

DANS L'AFFAIRE DE LA LÉGISLATION SUR LES VALEURS MOBILIÈRES DE LA COLOMBIE-BRITANNIQUE, DE L'ALBERTA, DE L'ONTARIO, DU QUÉBEC et DE TERRE-NEUVE

ET

DANS L'AFFAIRE DU RÉGIME D'EXAMEN CONCERTÉ DES DEMANDES DE DISPENSE

ET

DANS L'AFFAIRE DE VALEURS MOBILIÈRES BANQUE LAURENTIENNE INC. ET DE LA BANQUE LAURENTIENNE DU CANADA

DOCUMENT DE DÉCISION DU REC

ATTENDU QUE les autorités ou l'agent responsable local de réglementation des valeurs mobilières (le « Décideur ») de la Colombie-Britannique, de l'Alberta, de l'Ontario, du Québec et de Terre-Neuve (les « juridictions ») ont reçu une demande de Valeurs Mobilières Banque Laurentienne Inc. (le « déposant ») pour une décision en vertu de la législation sur les valeurs mobilières des juridictions (la « législation ») selon laquelle l'exigence contenue dans la législation relative aux activités de (« Preneur ferme Indépendant») dans le cadre d'un placement de titres par voie de prospectus d'un émetteur relié ou l'équivalent ne s'appliquera pas à Valeurs Mobilières Banque Laurentienne Inc. en ce qui a trait au placement proposé de débentures de Série 9 de la Banque Laurentienne du Canada (l' « Émetteur ») effectué par voie d'un Prospectus (« Prospectus »).

ATTENDU QUE, conformément au régime d'examen concerté des demandes de dispense (le « régime »), la Commission des valeurs mobilières du Québec est l'autorité principale pour cette demande;

ET ATTENDU QUE le déposant a déclaré aux Décideurs ce qui suit:

1. L'Émetteur est une banque à charte canadienne ayant des activités à l'échelle du Canada et est constituée en vertu de la *Loi sur les banques* (Canada). Son siège social est situé au 1981 avenue McGill College, Montréal, Province de Québec. Le 12 novembre 1997, l'Émetteur était prorogé en tant qur banque nommée à l'Annexe I de la Loi sur les banques (Canada).

2. L'Émetteur est un émetteur assujetti suivant la législation de chacune des Juridictions et n'est pas en défault en vertu des lois sur les valeurs mobilières;

3. L'Émetteur se propose de déposer un prospectus provisoire (un «Prospectus Provisoire») dans les prochains jours et se propose de déposer le prospectus final (un «Prospectus») en mai 2001 pour procéder au placement public de débentures de Série 9;

4. L'Émetteur a l'intention de conclure une convention de prise ferme avec le déposant et au moins un autre courtier (collectivement, les «Preneurs fermes»), en vertu de laquelle l'Émetteur s'engagera à créer, émettre et vendre et les Preneurs fermes à acheter les débentures;

5. Au moins un Preneur ferme Indépendant (un «Preneur ferme Indépendant») tel que défini dans la Norme Multilatérale 33-105 (la «Norme») souscrira à au moins 20 % du Placement;

6. L'Émetteur est considéré être un « émetteur relié » (ou l'équivalent) du déposant, tel que défini en vertu de la législation aux fins du placement; parce que le déposant est une filiale en propriété exclusive de l'Émetteur;

7. L'Émetteur n'est pas, au moment du Placement, un émetteur relié d'un Preneur ferme Indépendant;

8. Parce que l'Émetteur est un émetteur relié et un émetteur associé du déposant, le syndicat de prise ferme ne respectera pas les règles applicables aux termes de la législation;

9. Le déposant est inscrit à titre de courtier de plein exercice en conformité avec les exigences de la législation;

10. L'exigence qu'un Preneur ferme Indépendant fasse partie du syndicat sera réalisée puisque les Preneurs fermes Indépendants souscriront à au moins 65 % de l'ensemble du Placement et un Preneur ferme Indépendant souscrira à au moins 20 % de l'émission de Débentures de Série 9;

11. Le prospectus provisoire et le prospectus définitif contiendront l'information suivante :

    (a) les informations exigées à l'Annexe C de la Norme;

    (b) un énoncé indiquant qu'un preneur ferme indépendant souscrit à au moins 20 % de l'émission, que ce preneur ferme a participé à la fixation du prix de l'émission et dans le processus de vérification diligente auprès de l'émetteur. Il signera l'attestation des preneurs fermes contenue au Prospectus;

    (c) les Preneurs fermes Indépendants seront identifiés dans le Prospectus et leur rôle dans la composition et la fixation du prix de l'émission ainsi que la vérification diligente sera décrit dans le texte du Prospectus;

12. La nature des relations entre l'Émetteur et le déposant sera décrite dans le Prospectus Provisoire et le Prospectus;

13. Le déposant ne recevra aucune contrepartie ou bénéfice autre que la Commission prévue dans le cadre du Placement.

ATTENDU QUE, conformément au régime d'examen concerté, le présent document de décision du REC confirme la décision de chaque Décideur (collectivement, la « Décision »);

ATTENDU QUE chacun des Décideurs est d'avis que le test contenu dans la législation en vertu de laquelle le décideur a juridiction pour rendre la Décision a été rencontré;

La décision des Décideurs en vertu de la législation est que le déposant est dispensé des exigences des règlements applicables relativement aux exigences contenues dans la législation concernant les activités de Preneur ferme Indépendant dans le cadre d'un placement de titres d'un émetteur relié pourvu que :

1. le Preneur ferme Indépendant prendra part au Placement tel que déclaré au paragraphe 5 du présent texte;

2. l'Émetteur divulguera dans ses prospectus les informations exigées à l'Annexe C de la Norme;

3. le Prospectus devra décrire les relations entre l'Émetteur et les Preneurs fermes; et

4. le Prospectus devra décrire le rôle joué par le Preneur ferme Indépendant dans la composition et la fixation de prix de l'émission ainsi que la vérification diligente.

EN DATE DU 22 mai 2001.

"M[e] Jean Lorrain"

2.1.9 Toromont Industries Ltd. et al. - MRRS Decision

Headnote

MRRS - Issuer is a connected issuer, but not a related issuer, in respect of registrants that are underwriters in proposed distribution of units by the issuer - Underwriters exempt from the independent underwriter requirement in the legislation provided that issuer not in financial difficulty.

Applicable Ontario Regulations

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am.,ss. 219(1), 224(1)(b) and 233.

Applicable Ontario Rules

Proposed Multi-Jurisdictional Instrument 33-105 *Underwriting Conflicts* (published for comment February 6, 1998).

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, BRITISH COLUMBIA AND QUÉBEC

AND

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

AND

IN THE MATTER OF
TD SECURITIES INC. AND CIBC WORLD MARKETS INC.,

AND

TOROMONT INDUSTRIES LTD.

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia and Québec (the "Jurisdictions") has received a application from TD Securities Inc. ("TDSI") and CIBC World Markets Inc. ("CIBCWM") (collectively, the "Filers") for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirement (the "Independent Underwriter Requirement") contained in the Legislation which restricts a registrant from acting as an underwriter in connection with a distribution of securities of an issuer made by means of prospectus, where the issuer is a connected issuer (or the equivalent) of the registrant unless a portion of the distribution at least equal to that portion underwritten by non-independent underwriters is underwritten by an independent underwriter, shall not apply to the Filers in respect of a proposed distribution (the "Offering") of common shares (the "Offered Securities") of Toromont Industries Ltd. (the "Issuer"), pursuant to a short form prospectus (the "Prospectus");

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 the Filers have represented to the Decision Makers that:

1. The Issuer is a reporting issuer under the Legislation of each Jurisdiction and is not in default of any requirements of the Legislation.

2. The Issuer currently has operations in Canada and the United States in the sale and servicing of construction equipment, power generation, refrigeration and process systems.

3. The common shares of the Issuer are listed on The Toronto Stock Exchange.

4. The head office of the lead underwriter for the Offering is in Toronto, Ontario.

5. The Issuer filed a preliminary short form prospectus dated May 25, 2001 (the "Preliminary Prospectus") in the Jurisdictions.

6. The Filers, along with Raymond James Ltd. and Canaccord Capital Corporation are proposing to act as underwriters in connection with the Offering.

7. The Toronto-Dominion Bank and Canadian Imperial Bank of Commerce (collectively, the "Banks") have extended to the Issuer, under unsecured credit facilities, funds in the aggregate amount of approximately $100 million (the "Loans"). The Issuer is in compliance with the terms of these credit facilities.

8. The nature of the relationship among the Issuer and the Filers has been described in the Preliminary Prospectus and will be described in the Prospectus.

9. The Banks did not and will not participate in the decision to make the Offering or in the determination of its terms.

10. The Filers will not benefit in any manner from the Offering other than the payment of their underwriting fees in connection with the Offering.

11. By virtue of the Loans, the Issuer may, in connection with the Offering, be considered a connected issuer (or the equivalent) of each of TDSI and CIBCWM.

12. The Issuer is not a related issuer (or the equivalent) of the Filers or of any of the other members of the underwriting syndicate.

13. The nature and details of the relationship between the Issuer and the Filers will be described in the Prospectus. The Prospectus will contain the information specified in Appendix "C" of draft Multi-Jurisdictional Instrument 33-105 *Underwriting Conflicts* (the "Proposed Instrument").

14. The Issuer is not a "specified party" as defined in the Proposed Instrument.

AND WHEREAS pursuant to 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 Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers, under the Legislation, is that the Independent Underwriter Requirement shall not apply to the Filers in connection with the Offering provided the Issuer is not a related issuer, as defined in the Proposed Instrument, to the Filers at the time of the Offering and is not a specified party, as defined in the Proposed Instrument, at the time of the Offering.

June 1, 2001.

"Paul M. Moore" "R. Stephen Paddon"

2.1.10 Frank Russell Canada Limited - Decision

Headnote

Section 5.1 of O.S.C. Rule 31-506 – SRO Membership – Mutual Fund Dealers – mutual fund manager exempted from the requirements of the Rule that it be a member of the Mutual Fund Dealers Association ("MFDA") and file with the MFDA an application and prescribed fees for the application for membership, provided that it complies with terms and conditions of registration.

Statutes Cited

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

Rules Cited

O.S.C. Rule 31-506 SRO Membership – Mutual Fund Dealers, ss. 2.1, 3.1, 5.1.

Published Documents Cited

Letter Sent to The Investment Funds Institute of Canada and the Investment Counsel Association of Canada, December 6, 2000, (2000) 23 OSCB 8467.

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

AND

ONTARIO SECURITIES COMMISSION
RULE 31-506 SRO MEMBERSHIP – MUTUAL FUND DEALERS (the "Rule")

AND

IN THE MATTER OF
FRANK RUSSELL CANADA LIMITED

DECISION
(Section 5.1 of the Rule)

UPON The Director having received an application (the "Application) from Frank Russell Canada Limited (the "Registrant") for a decision, pursuant to section 5.1 of the Rule, exempting the Registrant from the requirements in sections 2.1 and 3.1 of the Rule, which would otherwise require that the Registrant be a member of the Mutual Fund Dealers Association (the "MFDA") on and after July 2, 2002, and file with the MFDA, no later than May 23, 2001, an application and corresponding fees for membership;

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

AND UPON the Registrant having represented to the Director that:

1. the Registrant is registered under the Act as a dealer in the category of mutual fund dealer and as investment counsel and portfolio adviser;

2. the Registrant is the manager of the Russell Group of Funds, the Lifepoints Portfolios and the Sovereign Pools families of mutual funds that it has established and will be the manager of other mutual funds it expects to establish in the future;

3. the securities of the mutual funds managed by the Registrant are generally sold to the public through other registered dealers;

4. the Registrant's trading activities as a mutual fund dealer currently represent and will continue to represent activities that are incidental to its principal business activities;

5. the Registrant has agreed to the imposition of the terms and conditions on the Registrant's registration as a mutual fund dealer set out in the attached Schedule "A", which outlines the activities the Registrant has agreed to adhere to in connection with its application for this Decision;

6. any person or company that is not currently a client of the Registrant on the effective date of this Decision, will, before they are accepted as a client of the Registrant, receive prominent written notice from the Registrant that:

   The Registrant is not currently a member, and does not intend to become a member of the Mutual Fund Dealers Association; consequently, clients of the Registrant will not have available to them investor protection benefits that would otherwise derive from membership of the Registrant in the MFDA, including coverage under any investor protection plan for clients of members of the MFDA;

7. upon the next general mailing to its account holders and in any event before May 23, 2002, the Registrant shall provide, to any client that was a client of the Registrant on the effective date of this Decision, the prominent written notice referred to in paragraph 6, above;

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 section 5.1 of the Rule, that, effective May 23, 2001, the Registrant is exempt from the requirements in sections 2.1 and 3.1 of the Rule;

PROVIDED THAT:

The Registrant complies with the terms and conditions on its registration under the Act as a mutual fund dealer set out in the attached Schedule "A".

June 1, 2001.

"Peggy Dowdall-Logie"

SCHEDULE "A"

TERMS AND CONDITIONS OF REGISTRATION OF FRANK RUSSELL CANADA LIMITED AS A MUTUAL FUND DEALER

Definitions

1. For the purposes hereof, unless the context otherwise requires:

(a) "Act" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

(b) "Adviser" means an adviser as defined in subsection 1(1) of the Act;

(c) "Client Name Trade" means, for the Registrant, a trade to, or on behalf of, a person or company, in securities of a mutual fund, that is managed by the Registrant or an affiliate of the Registrant, where the person or company is shown on the records of the mutual fund or of an other mutual fund managed by the Registrant or an affiliate of the Registrant as the holder of securities of such mutual fund, and the trade consists of:

(A) a purchase, by the person or company, through the Registrant, of securities of the mutual fund; or

(B) a redemption, by the person or company, through the Registrant, of securities of the mutual fund;

and where, the person or company is either a client of the Registrant that was not solicited by the Registrant or was an existing client of the Registrant on the Effective Date;

(d) "Commission" means the Ontario Securities Commission;

(e) "Effective Date" means May 23, 2001;

(f) "Employee", for the Registrant, means:

(A) an employee of the Registrant;

(B) an employee of an affiliated entity of the Registrant; or

(C) an individual that is engaged to provide, on a *bona fide* basis, consulting, technical, management or other services to the Registrant or to an affiliated entity of the Registrant, under a written contract between the Registrant or the affiliated entity and the individual or a consultant company or consultant partnership of the individual, and, in the reasonable opinion of the Registrant, the individual spends or will spend a significant amount of time and attention on the affairs and business of the Registrant or an affiliated entity of the Registrant;

(g) "Employee", for a Service Provider, means an employee of the Service Provider or an affiliated entity of the Service Provider, provided that, at the relevant time, in the reasonable opinion of the Registrant, the employee spends or will spend, a significant amount of time and attention on the affairs and business of:

(A) the Registrant or an affiliated entity of the Registrant; or

(B) a mutual fund managed by the Registrant or an affiliated entity of the Registrant;

(h) "Employee Rule" means Ontario Securities Commission Rule 45-503 Trades To Employees, Executives and Consultants;

(i) "Executive", for the Registrant, means a director, officer or partner of the Registrant or of an affiliated entity of the Registrant;

(j) "Executive", for a Service Provider, means a director, officer or partner of the Service Provider or of an affiliated entity of the Service Provider;

(k) "Exempt Trade", for the Registrant, means:

(i) a trade in securities of a mutual fund that is made between a person or company and an underwriter acting as purchaser or between or among underwriters; or

(ii) any other trade for which the Registrant would have available to it an exemption from the registration requirements of clause 25(1)(a) of the Act if the Registrant were not a "market intermediary" as such term is defined in section 204 of the Regulation;

(l) "Fund-on-Fund Trade", for the Registrant, means a trade that consists of:

(i) a purchase, through the Registrant, of securities of a mutual fund is made by another mutual fund

(ii) a purchase, through the Registrant, of securities of a mutual fund that is made by a counterparty, an affiliated entity of the counterparty or an other person or company, pursuant to an agreement to purchase the securities to effect a hedge of a liability relating to a contract for a specified derivative or swap made between the counterparty and another mutual fund; or

(iii) a sale, through the Registrant, of securities of a mutual fund that is made

by another mutual fund where the party purchasing the securities is:

(A) a mutual fund managed by the Registrant or an affiliated entity of the Registrant; or

(B) a counterparty, affiliated entity or other person or company that acquired the securities pursuant to an agreement to purchase the securities to effect a hedge of a liability relating to a contract for a specified derivative or swap made between the counterparty and another mutual fund; and

where, in each case, at least one of the referenced mutual funds is a mutual fund that is managed by either the Registrant or an affiliated entity of the Registrant;

(m) an "In Furtherance Trade" means, for the Registrant, a trade by the Registrant that consists of any act, advertisement, or solicitation, directly or indirectly in furtherance of an other trade in securities of a mutual fund, where the other trade consists of:

(i) a purchase or sale of securities of a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or

(ii) a purchase or sale of securities of a mutual fund where the Registrant acts as the principal distributor of the mutual fund; and

where, in each case, the purchase or sale is made by or through an other registered dealer if the Registrant is not otherwise permitted to make the purchase or sale pursuant to these terms and conditions;

(n) "Mutual Fund Instrument" means National Instrument 81-102 Mutual Funds, as amended;

(o) "Permitted Client", for the Registrant, means a person or company that is a client of the Registrant, and that is, or was at the time the person or company became a client of the Registrant:

(i) an Executive or Employee of the Registrant;

(ii) a Related Party of an Executive or Employee of the Registrant;

(iii) a Service Provider of the Registrant or an affiliated entity of a Service Provider of the Registrant;

(iv) an Executive or Employee of a Service Provider of the Registrant; or

(v) a Related Party of an Executive or Employee of a Service Provider of the Registrant;

(p) "Registered Plan" means a registered pension plan, deferred profit sharing plan, registered retirement savings plan, registered retirement income fund, registered education savings plan or other deferred income plan registered under the Income Tax Act (Canada);

(q) "Registrant" means Frank Russell Canada Limited;

(r) "Regulation" means R.R.O. 1990, Reg. 1015, as amended, made under the Act;

(s) "Related Party", for a person, means an other person who is:

(i) the spouse of the person;

(ii) the issue of:

(A) the person,

(B) the spouse of the person, or

(C) the spouse of any person that is the issue of a person referred to in subparagraphs (A) or (B) above;

(iii) the parent, grandparent or sibling of the person, or the spouse of any of them;

(iv) the issue of any person referred to in paragraph (iii) above; or

(v) a Registered Plan established by, or for the exclusive benefit of, one, some or all of the foregoing;

(vi) a trust where one or more of the trustees is a person referred to above and the beneficiaries of the trust are restricted to one, some, or all of the foregoing;

(vii) a corporation where all the issued and outstanding shares of the corporation are owned by one, some, or all of the foregoing;

(t) "securities", for a mutual fund, means shares or units of the mutual fund;

(u) "Seed Capital Trade" means a trade in securities of a mutual fund made to a persons or company referred to in any of subparagraphs 3.1(1)(a)(i) to 3.1(1)(a)(iii) of the Mutual Fund Instrument;

(v) "Service Provider", for the Registrant, means:

(i) a person or company that provides or has provided professional, consulting, technical, management or other services

to the Registrant or an affiliated entity of the Registrant;

(ii) an Adviser to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or

(iii) a person or company that provides or has provided professional, consulting, technical, management or other services to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant

2. For the purposes hereof, a person or company is considered to be an "affiliated entity" of an other person or company if the person or company would be an affiliated entity of that other person or company for the purposes of the Employee Rule.

3. For the purposes hereof:

(a) "issue", "niece", "nephew" and "sibling" includes any person having such relationship through adoption, whether legally or in fact;

(b) "parent" and "grandparent" includes a parent or grandparent through adoption, whether legally or in fact;

(c) "registered dealer" means a person or company that is registered under the Act as a dealer in a category that permits the person or company to act as dealer for the subject trade; and

(d) "spouse", for an Employee or Executive, means a person who, at the relevant time, is the spouse of the Employee or Executive.

4. Any terms that are not specifically defined above shall, unless the context otherwise requires, have the meaning:

(a) specifically ascribed to such term in the Mutual Fund Instrument; or

(b) if no meaning is specifically ascribed to such term in the Mutual Fund Instrument, the same meaning the term would have for the purposes of the Act.

Restricted Registration

Permitted Activities

5. The registration of the Registrant as a mutual fund dealer under the Act shall be for the purposes only of trading by the Registrant in securities of a mutual fund where the trade consists of:

(a) a Client Name Trade;

(b) an Exempt Trade;

(c) a Fund-on-Fund Trade;

(d) an In Furtherance Trade;

(e) a trade to a person who is a Permitted Client or who represents to the Registrant that he or she is a person included in the definition of Permitted Client; or

(f) a Seed Capital Trade;

provided that, in the case of all trades that are only referred to in clauses (a) or (e), the trades are limited and incidental to the principal business of the Registrant.

2.1.11 Mullen Transportation Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications -- relief from prospectus and registration requirements for certain trades made in connection with a plan of arrangement and the transfer of portion of issuer's business into new publicly held corporation -- reporting issuer history of issuer considered in determining restrictions on resale of securities of new issuer from control block -- new issuer deemed to be a reporting issuer in Ontario.

Ontario Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 35(1)15, 72(1)(i), 74(1), 83.1.

Ontario Rules Cited

Rule 45-501 Exempt Distributions (1998), 21 O.S.C.B. 6548, s. 2.8.

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO AND QUÉBEC

AND

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

AND

IN THE MATTER OF
MULLEN TRANSPORTATION INC.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Manitoba, Ontario and Québec (the "Jurisdictions") has received an application from Mullen Transportation Inc. ("Mullen") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

   1.1 the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary prospectus and prospectus (the "Prospectus Requirement") shall not apply to trades made in connection with a proposed arrangement (the "Arrangement");

   1.2 the Prospectus Requirement shall not apply to certain trades in securities acquired under the Arrangement; and

   1.3 an issuer to be created in connection with the Arrangement be deemed to be a reporting issuer or the equivalent under the Legislation in Ontario and Québec;

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

3. **AND WHEREAS** Mullen has represented to the Decision Makers that:

   3.1 Mullen is a corporation amalgamated under the *Business Corporations Act* (Alberta)(the "ABCA");

   3.2 the head office of Mullen is in Aldersyde, Alberta;

   3.3 the authorized capital of Mullen includes an unlimited number of common shares ("Mullen Shares");

   3.4 there are 14,169730 Mullen Shares outstanding;

   3.5 the Mullen Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE");

   3.6 Mullen is a reporting issuer or the equivalent in each of the Jurisdictions and has been for a period in excess of twelve months;

   3.7 929576 Alberta Ltd. ("929576 Alberta") is a corporation incorporated under the ABCA;

   3.8 Moveitonline Inc. ("Existing Moveitonline") is a corporation incorporated under the ABCA;

   3.9 Existing Moveitonline is a wholly owned subsidiary of Mullen;

   3.10 Existing Moveitonline operates the logistics business of Mullen;

   3.11 Mullen proposes to conduct the Arrangement for the purpose of transferring, as a separate entity, the logistics business operated by Existing Moveitonline to the holders of Mullen Shares;

   3.12 the Arrangement will be conducted under the ABCA and will involve Mullen, holders of Mullen Shares and options to acquire Mullen Shares ("Mullen Options"), Existing Moveitonline and 929576 Alberta;

   3.13 the Arrangement will involve the following trades (the "Trades"):

      3.13.1 holders of Mullen Shares will exchange them with Mullen for shares of a newly created class of common shares of Mullen ("New Mullen Shares") and shares of a newly created class of special shares of Mullen ("Mullen Special Shares");

3.13.2 holders of Mullen Options will exchange them with Mullen for options to acquire New Mullen Shares ("New Mullen Options");

3.13.3 929576 Alberta will acquire all of the Mullen Special Shares in exchange for common shares of 929576 Alberta ("Moveitonline Shares");

3.13.4 Mullen will transfer all of the outstanding shares of Existing Moveitonline to 929576 Alberta in exchange for special shares of 929576 Alberta ("929576 Alberta Special Shares");

3.13.5 929576 Alberta will redeem from Mullen all of the 929576 Alberta Special Shares in consideration for a promissory note (the "929576 Alberta Note");

3.13.6 Mullen will redeem from 929576 Alberta all of the Mullen Special Shares in consideration for a promissory note (the "Mullen Note");

3.14 following the Trades, and as part of the Arrangement,:

3.14.1 929576 Alberta and Existing Moveitonline will amalgamate as Moveitonline Inc. ("New Moveitonline");

3.14.2 all of the outstanding shares of Existing Moveitonline will be cancelled;

3.14.3 the articles of Mullen will be amended to cancel the Mullen Shares and Mullen Special Shares;

3.14.4 the articles of New Moveitonline will be amended to cancel the 929576 Alberta Special Shares; and

3.14.5 the 929576 Alberta Note and the Mullen Note will be set-off against each other in full satisfaction of the obligations under each note;

3.15 as a result of the Arrangement:

3.15.1 the former holders of Mullen Shares will hold one New Mullen Share and one Moveitonline Share for each Mullen Share held by them prior to the Arrangement; and

3.15.2 the former holders of Mullen Options will hold options to acquire an equivalent number of New Mullen Shares on the same terms and conditions, with the exception that the per share exercise price of the options will be reduced in an amount equivalent to the value of a Moveitonline Share;

3.16 the TSE has conditionally approved for listing the New Mullen Shares and Moveitonline Shares issuable under the Arrangement;

3.17 the Arrangement must be approved by the Court of Queen's Bench of Alberta (the "Court");

3.18 the Court granted an interim order on April 17, 2001 providing, among other things, for a meeting of the holders of Mullen Shares (the "Meeting");

3.19 the Meeting will be held on May 28, 2001;

3.20 the Arrangement must be approved by at least 66.6% of the votes cast at the Meeting;

3.21 an information circular prepared in accordance with the Legislation has been provided to the holders of Mullen Shares in connection with the Meeting;

3.22 the holders of Mullen Shares will be afforded dissent rights under section 184 of the ABCA with respect to the Arrangement;

3.23 there are no exemptions from the Registration Requirement and Prospectus Requirement available under the Legislation of certain of the Jurisdictions with respect to the Trades;

3.24 there is no exemption from the Prospectus Requirement available in certain of the Jurisdictions to permit any person or company or any combination of persons or companies holding a sufficient number of any securities of either Mullen or New Moveitonline so as to materially affect the control of either Mullen or New Moveitonline or more than 20% of the outstanding voting securities of either Mullen or New Moveitonline, except where there is evidence showing that the holdings of those securities does not affect materially the control of either Mullen or New Moveitonline, (generally, a "Control Person") to trade New Mullen Shares or Moveitonline Shares acquired in connection with the Arrangement that have not been held by them for a period of at least six months;

3.25 New Movitonline will become a reporting issuer under the Legislation in Alberta and Saskatchewan as a result of the Arrangement, but will not become a reporting issuer or the equivalent under the Legislation of Manitoba, Ontario or Québec as a result of the Arrangement;

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

5. **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;

6. **THE DECISION** of the Decision Makers under the Legislation is that the Trades shall not be subject to the Registration Requirement and Prospectus Requirement, provided that the first trade of any New Mullen Share, New Mullen Option or Moveitonline Share distributed in reliance on this Decision shall be deemed a distribution or primary distribution to the public under the Legislation of the Jurisdiction or Jurisdictions where the trade takes place (the "Applicable Legislation") unless:

6.2.1 except in Manitoba with respect to a trade of Moveitonline Shares, the issuer of the security is a reporting issuer or the equivalent under the Applicable Legislation at the time of the trade;

6.2.2 no unusual effort is made to prepare the market or create a demand for the security;

6.2.3 no extraordinary commission or consideration is paid to a person or company in respect of the trade;

6.2.4 if the seller of the securities is an insider or officer the issuer, the seller has no reasonable grounds to believe that the issuer is in default of any requirement of the Applicable Legislation; and

6.2.5 except in Québec, the trade is not a trade from the holdings of a Control Person of the issuer;

7. **THE FURTHER DECISION** of the Decision Makers under the Legislation, other than in Québec, is that the first trade by a Control Person of Mullen of New Mullen Shares acquired in connection with the Arrangement shall not be subject to the Prospectus Requirement if:

7.1 the issuer is a reporting issuer or the equivalent under the Legislation of Jurisdiction or Jurisdictions where the trade takes place at the time of the trade;

7.2 no unusual effort is made to prepare the market or create demand for the securities;

7.3 no extraordinary commission or consideration is paid to a person or company in respect of the trade;

7.4 the Control Person has held the number of New Mullen Shares to be distributed or an equivalent number of Mullen Shares for a combined period of at least six months;

7.5 the Control Person files the following with the Decision Maker in the Jurisdiction or Jurisdictions where the trade takes place at least 7 days and not more than 14 days prior to the trade:

7.5.1 a notice of intention to sell in the form prescribed by the Legislation of the Jurisdiction or Jurisdictions where the trade takes place, disclosing particulars of the control position known to him or her, the number of securities to be sold and the method of distribution, and

7.5.2 a declaration:

7.5.2.1 signed by him or her as at a date not more than 24 hours prior to its filing, and

7.5.2.2 certified as follows:

"The seller of the securities that are to be sold to which this certificate relates hereby represents that he has no knowledge of any material fact or material change that has occurred with respect to the issuer of the securities or its operations that has not been generally disclosed and reported to the Securities Commission in the jurisdiction in which the trade is made, nor has he any knowledge of any other material adverse facts or information in regard to the issuer or the current and prospective operations of the issuer that have not been generally disclosed.";

7.6 within 3 days of the trade, the Control Person files a report of the trade in the form prescribed by the Legislation of the Jurisdiction or Jurisdictions where the trade takes place; and

7.7 the notice and declaration stipulated in paragraph 7.5 is renewed and filed at the end of 60 days after the original date of filing and thereafter at the end of each 28 day period:

7.7.1 for so long as any of the securities specified under the original notice have not been sold, or

7.7.2 until notice has been filed that the securities so specified or any part of them are no longer for sale;

8. **THE FURTHER DECISION** of the Decision Makers under the Legislation, other than in Québec, is that the first trade by a Control Person of New Moveitonline of Moveitonline Shares acquired in connection with the Arrangement shall not be subject to the Prospectus Requirement if:

8.1 except in Manitoba, the issuer is a reporting issuer or the equivalent under the Legislation of Jurisdiction or Jurisdictions where the trade takes place at the time of the trade;

8.2 no unusual effort is made to prepare the market or create demand for the securities;

8.3 no extraordinary commission or consideration is paid to a person or company in respect of the trade;

8.4 the Control Person has held the number of Moveitonline Shares to be distributed or an equivalent number of Mullen Shares for a combined period of at least six months;

8.5 the Control Person files the following with the Decision Maker in the Jurisdiction or Jurisdictions where the trade takes place at least 7 days and not more than 14 days prior to the trade:

8.5.1 a notice of intention to sell in the form prescribed by the Legislation of the Jurisdiction or Jurisdictions where the trade takes place, disclosing particulars of the control position known to him or her, the number of securities to be sold and the method of distribution, and

8.5.2 a declaration:

8.5.2.1 signed by him or her as at a date not more than 24 hours prior to its filing, and

8.5.2.2 certified as follows:

"The seller of the securities that are to be sold to which this certificate relates hereby represents that he has no knowledge of any material fact or material change that has occurred with respect to the issuer of the securities or its operations that has not been generally disclosed and reported to the Securities Commission in the jurisdiction in which the trade is made, nor has he any knowledge of any other material adverse facts or information in regard to the issuer or the current and prospective operations of the issuer that have not been generally disclosed.";

8.6 within 3 days of the trade, the Control Person files a report of the trade in the form prescribed by the Legislation of the Jurisdiction or Jurisdictions where the trade takes place; and

8.7 the notice and declaration stipulated in paragraph 8.5 is renewed and filed at the end of 60 days after the original date of filing and thereafter at the end of each 28 day period:

8.7.1 so long as any of the securities specified under the original notice have not been sold, or

8.7.2 until notice has been filed that the securities so specified or any part of them are no longer for sale;

9. **THE DECISION** of the Decision Makers under the Legislation in Ontario and Québec is that New Moveitonline is deemed to be a reporting issuer or the equivalent under the Legislation in Ontario and Québec.

May 28, 2001.

"Glenda A. Campbell" "James E. Allard"

2.1.12 Franklin Templeton Investments Corp. et al. - MRRS Decision

Headnote

Investment of substantially all of the assets of the classes of a corporate mutual fund in securities of specified mutual fund trusts exempted from the reporting requirements and self-dealing prohibitions of clauses 111(2)(b), 111(2)(c) and subsection 111(3), clauses 117(1)(a) and (d) and clause 118(2)(a) subject to certain specified conditions.

Statutes Cited

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

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO, QUEBEC, NOVA SCOTIA, and NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF
CLASSES OF FRANKLIN TEMPLETON TAX CLASS CORP.
(THE "TAX FUND CORPORATION"), BEING

TEMPLETON GROWTH TAX CLASS
TEMPLETON INTERNATIONAL STOCK TAX CLASS
TEMPLETON EMERGING MARKETS TAX CLASS
TEMPLETON GLOBAL SMALLER COMPANIES TAX CLASS
TEMPLETON CANADIAN STOCK TAX CLASS
FRANKLIN WORLD GROWTH TAX CLASS
FRANKLIN U.S. SMALL CAP GROWTH TAX CLASS
FRANKLIN U.S. AGGRESSIVE GROWTH TAX CLASS
FRANKLIN U.S. LARGE CAP GROWTH TAX CLASS
FRANKLIN WORLD HEALTH SCIENCES AND BIOTECH TAX CLASS
FRANKLIN WORLD TELECOM TAX CLASS
FRANKLIN TECHNOLOGY TAX CLASS
FRANKLIN U.S. MONEY MARKET TAX CLASS
MUTUAL BEACON TAX CLASS
BISSETT MULTINATIONAL GROWTH TAX CLASS
BISSETT CANADIAN EQUITY TAX CLASS
BISSETT SMALL CAP TAX CLASS
BISSETT BOND TAX CLASS
BISSETT MONEY MARKET TAX CLASS
(COLLECTIVELY, THE "CLASSES")

AND

FRANKLIN TEMPLETON INVESTMENTS CORP.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia, and Newfoundland (the "Jurisdictions") has received an application from Franklin Templeton Investments Corp. ("Franklin Templeton"), on its own behalf and on behalf of the Classes (the "Current Top Funds") and other classes of the Tax Fund Corporation managed by Franklin Templeton after the date of this Decision (defined herein) having an investment objective that invests substantially all of its assets in another mutual fund managed by Franklin Templeton (individually, a "Top Fund" and, together with the Current Top Funds, the "Top Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation (the "Applicable Requirements") shall not apply to the Top Funds or Franklin Templeton, as the case may be, in respect of certain investments to be made by a Top Fund in an Underlying Fund (as defined herein) from time to time:

(a) the restrictions contained in the Legislation prohibiting 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;

(b) the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making an investment in an issuer in which any officer or director of the mutual fund, its management company or distribution company or an associate of any of them, or any person or company who is a substantial securityholder of the mutual fund, its management company or its distribution company, has a significant interest;

(c) the restrictions contained in the Legislation prohibiting a portfolio manager or, in British Columbia, the mutual fund, from knowingly causing an investment portfolio managed by it to invest in any issuer in which a "responsible person" (as that term is defined in the Legislation) 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; and

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

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 it has been represented by Franklin Templeton to the Decision Makers that:

1. Franklin Templeton is a corporation amalgamated under the laws of the Province of Ontario and is or will be the manager of each of the Top Funds and each of the Underlying Funds (collectively, the "Franklin Templeton Funds"). Franklin Templeton's head office is located in Toronto, Ontario.

2. Each of the Top Funds is or will be classes of shares of the Tax Fund Corporation, a mutual fund corporation incorporated under the laws of the Province of Alberta, the shares of which will be offered for sale in each of the provinces and territories of Canada.

3. Each of the Current Underlying Funds (as defined herein) (other than Templeton Growth Fund, Ltd.) is an open-ended mutual fund trust established under the laws of Ontario or Alberta by a Declaration of Trust. Templeton Growth Fund, Ltd. is an open-end mutual fund corporation, incorporated under the laws of Canada. The Underlying Funds will be open-ended mutual fund trusts established under the laws of Ontario or Alberta by a Declaration of Trust or open-end mutual fund corporations incorporated under the laws of Canada.

4. Each of the Franklin Templeton Funds is or will be a reporting issuer in each of the provinces and territories of Canada.

5. Securities of each of the Franklin Templeton Funds will be qualified for distribution by means of a simplified prospectus and an annual information form filed in accordance with the legislation applicable in each of the provinces and territories of Canada.

6. Each of the Top Funds seeks to achieve its investment objective by investing substantially all of its assets in securities of it's corresponding Underlying Fund. Except for transitional cash, each of the Top Funds will be 100% invested in securities of it's corresponding Underlying Fund.

7. Franklin Templeton is currently the manager of Templeton Growth Fund, Ltd., Templeton International Stock Fund, Templeton Emerging Markets Fund, Templeton Global Smaller Companies Fund, Templeton Canadian Stock Fund, Franklin World Growth Fund, Franklin U.S. Small Cap Growth Fund, Franklin U.S. Aggressive Growth Fund, Franklin U.S. Large Cap Growth Fund, Franklin World Health Sciences and Biotech Fund, Franklin World Telecom Fund, Franklin Technology Fund, Franklin U.S. Money Market Fund, Mutual Beacon Fund, Bissett Multinational Growth Fund, Bissett Canadian Equity Fund, Bissett Small Cap Fund, Bissett Bond Fund and Bissett Money Market Fund (the "Current Underlying Funds") and may in the future establish other mutual fund trusts or corporations (together with the Current Underlying Funds, the "Underlying Funds").

8. The simplified prospectus for the Top Funds will disclose the investment objectives, investment strategies, risks and restrictions of the Top Fund.

9. Except to the extent evidenced by this Decision and specific approvals granted by the Decision Makers pursuant to National Instrument 81-102 Mutual Funds ("NI 81-102"), the investments by the Top Funds in the Underlying Funds have been structured to comply with the investment restrictions of the Legislation and NI 81-102.

10. In the absence of the Decision, pursuant to the Legislation, each Top Fund is prohibited 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. As a result, in the absence of this Decision the Top Fund would be required to divest itself of any such investments.

11. In the absence of the Decision, pursuant to the Legislation, each Top Fund is prohibited from knowingly making an investment in an issuer in which any officer or director of the mutual fund, its management company or distribution company or an associate of any of them, or any person or company who is a substantial securityholder of a Top Fund, its management company or its distribution company. As a result, in the absence of this Decision the Top Fund would be required to divest itself of any such investments.

12. In the absence of the Decision, Legislation requires Franklin Templeton to file a report on every purchase or sale of securities of the Underlying Funds by the Top Fund.

13. In the absence of this Decision, pursuant to the Legislation, Franklin Templeton is prohibited from causing the Top Fund to invest in the Underlying Funds unless the specific fact is disclosed to securityholders of the Top Fund and the written consent of securityholders of the Top fund is obtained before the purchase.

14. The investments by the Top Fund in securities of the Underlying Funds will represent the business judgment of "responsible persons" (as defined in the Legislation) uninfluenced by considerations other than the best interests of the Top Funds.

AND WHEREAS pursuant to 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 tests 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 Applicable Requirements shall not apply so as to prevent the Top Funds from making and holding an investment in securities of the Underlying Funds or require Franklin Templeton to file a report relating to the purchase or

sale of such securities and disclose such purchase or sale to securityholders of the Top Fund and obtain their written consent.

PROVIDED IN EACH CASE THAT:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with matters in subsection 2.5 of NI 81-102.

2. the Decision shall only apply if, at the time a Top Fund makes or holds an investment in its Underlying Fund, the following conditions are satisfied:

   (a) the securities of both the Top Fund and the Underlying Fund are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form which has been filed with and accepted by the Decision Maker;

   (b) the investment by the Top Fund in the Underlying Fund is compatible with the fundamental investment objectives of the Top Fund;

   (c) the simplified prospectus discloses the intent of the Top Fund to invest substantially all of its assets in securities of the Underlying Fund, the manager of the Underlying Fund, and all disclosure required for the Underlying Fund in its own simplified prospectus by Part B of Form 81-101F1 Contents of Simplified Prospectus;

   (d) the investment objective of the Top Fund discloses that the Top Fund invests substantially all of its assets in securities of the Underlying Fund and the name of the Underlying Fund;

   (e) the Underlying Fund is not a mutual fund whose investment objective includes investing directly or indirectly in other mutual funds;

   (f) if the Underlying Fund disclosed in the simplified prospectus has been changed, securityholders of the Top Fund have given prior approval and the simplified prospectus has been amended or a new simplified prospectus has been filed to reflect the change;

   (g) there are compatible dates for the calculation of the net asset value of the Top Fund and the Underlying Fund for the purpose of the issue and redemption of the securities of such mutual funds;

   (h) no sales charges are payable by the Top Fund in relation to its purchases of securities of the Underlying Fund;

   (i) no redemption fees or other charges are charged by the Underlying Fund in respect of the redemption by the Top Fund of securities of the Underlying Fund owned by the Top Fund;

   (j) no fees or charges of any sort are paid by the Top Fund and the Underlying Fund, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the Top Fund's purchase, holding or redemption of the securities of the Underlying Fund;

   (k) the arrangements between or in respect of the Top Fund and the Underlying Fund are such as to avoid the duplication of management fees;

   (l) any notice provided to securityholders of the Underlying Fund as required by applicable laws or the constating documents of that Underlying Fund has been delivered by the Top Fund to its securityholders;

   (m) all of the disclosure and notice material prepared in connection with a meeting of securityholders of the Underlying Fund and received by the Top Fund has been provided to its securityholders, the securityholders have been permitted to direct a representative of the Top Fund to vote its holdings in the Underlying Fund in accordance with their direction, and the representative of the Top Fund has not voted its holdings in the Underlying Fund except to the extent the securityholders of the Top Fund have directed;

   (n) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Top Fund, securityholders of the Top Fund have received appropriate summary disclosure in respect of the Top Fund's holdings of securities of the Underlying Funds in the financial statements of the Top Fund; and

   (o) to the extent that the Top Fund and the Underlying Fund do not use a combined simplified prospectus and annual information form containing disclosure about the Top Fund and the Underlying Fund, copies of the simplified prospectus and annual information form of the Underlying Fund have been provided upon request to securityholders of the Top Fund and the right

   to receive these documents is disclosed in the simplified prospectus of the Top Fund.

June 5, 2001.

"J.A. Geller" "R. Stephen Paddon"

2.1.13 Residential Equities Real Estate Investment Trust - MRRS Decision

Headnote

MRRS - closed end investment trust exempt from prospectus and registration requirements in connection with the issuance of units to existing unit holders pursuant to a distribution reinvestment plan - first trade relief for additional units, subject to certain conditions.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss 25, 53, 72,(5) and 74(1).

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

AND

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

AND

IN THE MATTER OF
RESIDENTIAL EQUITIES REAL ESTATE INVESTMENT TRUST

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of Canada (the "Jurisdictions") has received an application from Residential Equities Real Estate Investment Trust (the "Trust") for a decision pursuant to the securities legislation of each 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 distributions of units of the Trust ("Units") which will be distributed by the Trust as a distribution out of earnings pursuant to the distribution reinvestment plan (the "DRP") of the Trust;

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

AND WHEREAS it has been represented by the Trust to the Decision Makers that:

1. The Trust is an unincorporated closed-end investment trust created pursuant to a declaration of trust dated October 24, 1997, as amended and restated on June 15, 2000 (the "Declaration of Trust") and governed by the laws of the Province of Ontario. The beneficial interests in the Trust are divided into a single class of Units.

2. The Trust is not 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 Trust as contemplated in the definition of "mutual fund" in the Legislation.

3. The Trust is a reporting issuer, or the equivalent, under the Legislation and is not on the list of defaulting report issuers, or the equivalent, maintained pursuant to the Legislation.

4. The authorized capital of the Trust consists of an unlimited number of Units. As of the date hereof, 22,051,111 Units are issued and outstanding.

5. The Trust's Units are listed and posted for trading through the facilities of The Toronto Stock Exchange (the "TSE") under the symbol "REE.UN".

6. The Trust commenced operations on February 16, 1998 and as at December 31, 2000 had interests in 46 residential apartment buildings and one townhouse complex containing an aggregate of 9,111 rental suites. The objectives of the Trust are to: (i) provide holders of Units with stable and growing cash distributions, payable monthly and, to the extent reasonably possible, tax-deferred, from investments primarily in a portfolio of income producing multi-unit residential properties, including ancillary commercial premises, located in Canada; and (ii) maximize Unitholder value through accretive real property acquisitions which meet the investment criteria of the Trust.

7. Under the distribution policy approved by the Trustees of the Trust, the Trust distributes to Unitholders monthly (on each distribution date), in cash, 80% of the income of the Trust (excluding gains and losses from the disposition of real property and before any deduction for depreciation or amortization of pre-paid rent) and annually, in cash, net realized capital gains realized in the year and net recapture income for the year and any excess of income determined for the purposes of the *Income Tax Act* (Canada) over distributions otherwise made for that year. A distribution date means the date on or about the 15th day of each calendar month (other than January 15) and December 31 in each calendar year.

8. The Trust intends to establish the DRP pursuant to which Unitholders may, at their option, invest cash distributions paid on their Units in additional Units ("DRP Units"), as an alternative to receiving cash distributions.

9. Distributions due to participants in the DRP ("DRP Participants") will be paid to Computershare Trust Company of Canada in its capacity as agent under the DRP (in such capacity, the "DRP Agent") and applied to purchase DRP Units. All DRP Units purchased under the DRP will be purchased by the DRP Agent directly

from the Trust. The price of DRP Units purchased with such cash distributions will be the Average Market Price (as defined in the DRP to be the price calculated based on the weighted average trading price of Units on the TSE for the five (5) trading days immediately preceding the distribution payment date). DRP Participants will also receive an additional amount equal to 4% of their monthly distribution reinvested pursuant to the DRP, which amount shall automatically be paid on each distribution date in the form of additional DRP Units. No commissions, service charges or brokerage fees will be payable by DRP Participants in connection with the DRP.

10. Full investment of a DRP Participant's distributions will be possible under the DRP because the DRP will permit fractions of Units as well as whole Units to be purchased and held for DRP Participants. Also, distributions in respect of whole Units and fractions of Units purchased under the DRP will be held by the DRP Agent for the DRP Participant's account and automatically invested under the DRP in DRP Units.

11. DRP Units purchased under the DRP will be registered in the name of the DRP Agent, as agent for the DRP Participants in the DRP.

12. Unitholders may terminate their participation in the DRP at any time by written notice to the DRP Agent. Such notice, if actually received prior to a distribution record date, will have effect for such distribution. Thereafter, distributions payable to such Unitholders will be in cash. The Trust reserves the right to amend, suspend or terminate the DRP at any time, provided that such action shall not have a retroactive effect which would prejudice the interest of the DRP Participants. All DRP Participants will be sent notice of any such amendment, suspension or termination.

13. The distribution of DRP Units does not appear to fall within exemptions contained in the Legislation because such distributions are not distributions of dividends or interest but rather are distributions of income and/or capital gains and because the Trust is a closed-end investment trust and is not a "mutual fund" within the meaning of the Legislation.

AND WHEREAS pursuant to 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 Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the trades of DRP Units by the Trust to the DRP Participants pursuant to the DRP shall not be subject to the Registration and Prospectus Requirements of the Legislation provided that:

(a) at the time of the trade the Trust 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 trade;

(c) the Trust has caused to be sent to the person or company to whom the DRP Units are traded, not more than 12 months before the trade, a statement describing:

(i) their right to withdraw from the DRP and to make an election to receive cash instead of DRP Units on the making of a distribution of income by the Trust; and

(ii) instructions on how to exercise the right referred to in (i); and

(d) the first trade in DRP Units acquired pursuant to this Decision in a Jurisdiction shall be deemed a distribution or primary distribution to the public under the Legislation of such Jurisdiction (the "Applicable Legislation") unless;

(i) at the time of the first trade, the Trust is a reporting issuer or the equivalent under the Applicable Legislation;

(ii) no usual effort is made to prepare the market or to create a demand for the DRP Units;

(iii) no extraordinary commission or consideration is paid to a person or company in respect of the trade;

(iv) if the seller of the DRP Units is an insider of the Trust, the seller has reasonable grounds to believe that the Trust is not in default of any requirement of the Applicable Legislation;

(v) except in Quebec, the first trade is not from the holdings of a person or company or a combination of persons or companies holding a sufficient number of Units of the Trust so as to affect materially the control of the Trust or more than 20% of the outstanding voting securities of the Trust except where there is evidence showing that the holding of those securities does not affect materially the control of the Trust; and

(vi) disclosure of the initial distribution of the DRP Units is made to the relevant Jurisdictions by providing the particulars of the date of the distribution of such DRP Units, the number of such DRP Units and the purchase price paid or to be paid for such DRP Units in:

(A) an information circular or take-over bid circular filed in accordance with the Legislation; or

(B) a letter filed with the Decision Maker in the relevant Jurisdiction by a person or company certifying that the person or company has knowledge of the facts contained in the letter,

when the Trust distributes such DRP Units for the first time and thereafter, not less frequently than annually, unless the aggregate number of DRP Units so traded in any month exceeds 1% of the Units outstanding at the beginning of a month in which the DRP Units were traded, in which case a separate report shall be filed in each relevant Jurisdiction (other than Quebec) in respect of that month within 10 days of the end of such month.

May 31, 2001.

"J. A. Geller" "Robert W. Korthals"

2.2 Orders

2.2.1 Montréal Exchange Inc. - s. 147 & 80 of CFA

**IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990,
CHAPTER c.S. 5, AS AMENDED (THE "Act") AND
THE COMMODITY FUTURES ACT, R.S.O 1990, CHAPTER
20, AS AMENDED (THE "CFA")**

AND

**IN THE MATTER OF
THE MONTRÉAL EXCHANGE INC.**

**ORDER
(section 147 of the Act and section 80 of the CFA)**

UPON the application of the Montréal Exchange and the Montréal Exchange Inc. (collectively referred to as the "ME"), pursuant to section 147 of the Act and section 80 of the CFA for an order exempting the ME from the requirement to be recognized as a stock exchange under section 21 of the Act and registered as a commodity futures exchange under section 15 of the CFA (the "Application");

AND UPON the ME having represented to the Commission that the ME carries on business as a stock exchange and a derivatives exchange in Québec and is recognized under the *Securities Act* (Québec) as a self-regulatory organization;

AND UPON an Order being granted by the Commission dated October 3, 2000 (the "October 2000 Order") exempting the ME on an interim basis from the requirement to be recognized as a stock exchange under section 21 of the Act and registered as a commodity futures exchange under section 15 of the CFA;

AND UPON an Order being granted by the Commission dated January 2, 2001 (the "January 2001 Order") extending the October Order exempting the ME on an interim basis from the requirement to be recognized as a stock exchange under section 21 of the Act and registered as a commodity futures exchange under section 15 of the CFA;

AND UPON the Commission being satisfied that granting the ME an extension of the January 2001 Order pursuant to section 147 of the Act and section 80 of the CFA on an interim basis would not be contrary to the public interest;

IT IS ORDERED, pursuant to section 147 of the Act and section 80 of the CFA, that the ME be exempt from the requirement to be recognized as a stock exchange under section 21 of the Act and registered as a commodity futures exchange under section 15 of the CFA, so long as the ME continues to be recognized as a self-regulatory organization under the *Securities Act* (Québec); provided that:

1. the exemption provided for in this Order shall terminate at the earlier of:

   (i) the date that the ME is granted an order by the Commission recognizing it as a stock exchange and registering it as a commodity futures exchange or exempting it from the requirement to be recognized as a stock exchange and registered as a commodity futures exchange; and

   (ii) July 31, 2001.

May 29, 2001.

"J.A. Geller" "R. Stephen Paddon"

2.2.2 CencoTech Inc. ss. - 83.1(1)

Headnote

Subsection 83.1(1) - reporting issuer in B.C and Alberta deemed to be a reporting issuer in Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 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
CENCOTECH INC.

ORDER
(Subsection 83.1(1))

UPON the application of CencoTech Inc. ("CencoTech") for an order pursuant to subsection 83.1(1) of the Act, deeming CencoTech to be a reporting issuer for the purposes of Ontario securities law;

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

AND UPON CencoTech representing to the Commission as follows:

1. CencoTech is a corporation governed by the *Business Corporations Act* (Ontario).

2. The registered and principal executive office of CencoTech is located in Toronto, Ontario.

3. The authorized capital of CencoTech consists of an unlimited number of preferred shares issuable in series and an unlimited number of common shares (the "Common Shares"), of which 14,378,322 Common Shares are issued and outstanding.

4. The Common Shares of CencoTech are listed on the Canadian Venture Exchange (the "CDNX").

5. CencoTech has been a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") since on or about July 11, 1997 and under the *Securities Act* (British Columbia) (the "B.C. Act") since the establishment of the CDNX in November 1999.

6. The continuous disclosure requirements of the Alberta Act and the B.C. Act are substantially the same as the requirements of the Act.

7. The continuous disclosure material filed by CencoTech under the Alberta Act since April 1, 1998 and under the Alberta Act and the B.C. Act since November 1999 are available on the System for Electronic Document Analysis and Retrieval.

8. Neither CencoTech nor any of its officers, directors or controlling shareholders has (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, (ii) entered into a settlement agreement with a Canadian securities regulatory authority or (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

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 CencoTech is deemed to be a reporting issuer for the purposes of Ontario securities law.

May 29, 2001.

"J. A. Geller" "R. Stephen Paddon"

2.2.3 The Griswold Company, Incorporated - s. 211

Headnote

Applicant for registration as international dealer exempted from requirement in subsection 208(2) of the Regulation that it carry on the business of an underwriter in a country other than Canada where applicant will not act as an underwriter in Ontario - Applicant is registered with the S.E.C. as a broker-dealer and is a member of the New York Stock Exchange.

Statutes Cited

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

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss.100(3), 208(1), 208(2) and 211.

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
THE GRISWOLD COMPANY, INCORPORATED

ORDER
(Section 211 of the Regulation)

UPON the application (the "Application") of The Griswold Company, Incorporated (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 211 of the Regulation, exempting the Applicant from the requirement in subsection 208(2) of the Regulation that the Applicant carry on the business of an "underwriter" in a country other than Canada, in order for the Applicant to be registered under the Act as a dealer in the category of "international 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 has filed an application for registration as a dealer under the Act in the category of "international dealer" in accordance with section 208 of the Regulation. The Applicant is not presently registered in any capacity under the Act.

2. Subsection 208(2) of the Regulation provides that:

   No person or company may register as an international dealer unless the person or company carries on the business of a dealer and underwriter in a country other than Canada.

3. The Applicant is a New York State corporation having its principal place of business at 111 Broadway – 13th Floor, New York, New York, 10006.

4. The Applicant is registered in the United States of America ("USA") with the Securities and Exchange Commission as a broker-dealer and is a member of the New York Stock Exchange. The Applicant is also registered as a broker-dealer in the states of New York, California, Massachusetts, Minnesota, New Jersey, New Mexico, Oregon and Texas.

5. The Applicant's principal business is confined primarily to broker-dealer activities transacted with other broker-dealers on the New York Stock Exchange and introducing broker activities.

6. The Applicant does not currently act as an underwriter in the USA. The Applicant does not currently act as an underwriter in any other jurisdiction outside of the USA.

7. The Applicant does not now act as an underwriter in Ontario and will not act as an underwriter in Ontario if it is registered under the Act as an "international dealer".

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

IT IS ORDERED, pursuant to section 211 of the Regulation, that, in connection with the registration of the Applicant as a dealer under the Act in the category of "international dealer", the Applicant is exempt from the provisions of subsection 208(2) of the Regulation requiring that the Applicant carry on the business of an underwriter in a country other than Canada, provided that, so long as the Applicant is registered under the Act as an "international dealer":

(A) the Applicant carries on the business of a dealer in a country other than Canada; and

(B) notwithstanding subsection 100(3) of the Regulation, the Applicant shall not act as an underwriter in Ontario.

June 1, 2001.

"Paul M. Moore" "R. Stephen Paddon"

2.3 Rulings

2.3.1 Simmonds Capital Limited - ss. 74(1)

Headnote

Subsection 74(1) - trades of shares to trade creditors, promissory note holders and former employees owed severance pay in settlement of outstanding debts of the issuer, where issuer is in financial difficulty, are not subject to sections 25 and 53 of the Act - first trade of shares issued shall be subject to

Statute Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 53, 72(5), 74(1)

Rule Cited

Ontario Securities Commission Rule 45-501 - Exempt Distributions

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5

AND

IN THE MATTER OF
SIMMONDS CAPITAL LIMITED

RULING
(Subsection 74(1))

UPON the application (the "Application") of Simmonds Capital Limited (the "Corporation") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 74(1) of the Securities Act, R.S.O. 1990, c.S.5 (the "Act") that certain trades in common shares of the Corporation shall not be subject to Sections 25 or 53 of the Act.

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

AND UPON the Corporation having represented to the Commission that:

1. The Corporation was amalgamated under the laws of Ontario on December 30, 1993.

2. The Corporation is a reporting issuer under the Act and is not on the list of defaulting reporting issuers maintained pursuant to subsection 72(9) of the Act.

3. The Applicant is a merchant banking company with an active role in certain strategic investments, including interactive gaming technology focused on the North American horse racing market and wireless communications.

4. The authorized capital of the Corporation consists of an unlimited number of common shares ("Common Shares") and an unlimited number of preferred shares issuable in series with the attributes of each series to be fixed by the Board of Directors of the Corporation. At present, the Corporation has outstanding 28,382,291 Common Shares and 5,906,250 Preferred Shares, Series 3, warrants to purchase 250,000 Common Shares at $0.90 per Common Share exercisable to June 30, 2002, and 640,000 stock options granted under an employee stock option plan . Such Preferred Shares are convertible on their terms into Common Shares at the rate of one common share for every five Preferred Shares.

5. The Common Shares of the Applicant are listed for trading on The Toronto Stock Exchange ("TSE").

6. The Applicant's audited financial statements as at December 31, 1999 showed assets of $9,932,335,000 , $17,815,660 in current liabilities, and a shareholders' deficiency of $19,328,194. The Applicant reported a loss of $6,118,950 for the year ended December 31, 1999, including a loss from discontinued operations of $6,471,212. The Applicant's unaudited balance sheets as at the end of the three, six and nine month periods ended March 31, June 30 and September 30, 2000, respectively, showed current liabilities exceeding current assets.

7. Due to its financial position and in order to conserve cash, the Applicant considers it desirable to issue an aggregate of 5,000,000 Common Shares as follows:

   a) a total of 1,850,000 Common Shares at the price of $0.11 per share to two arm's length unsecured creditors (the "Unsecured Creditors");

   b) a total of 1,498,109 Common Shares at the price of $0.11 per share to eleven former employees of the Applicant (the "Former Employees") in respect of severance obligations owing to the Former Employees;

   c) a total of 900,000 Common Shares at the price of $0.11 per share to two former executives of the Applicant (the "Former Executives") in respect of severance obligations owing to the Former Executives; and

   d) a total of 751,891 Common Shares at the price of $0.11 per share to five persons (the "Note Holders") who hold promissory notes issued by the Applicant in respect of which the principal and accrued interest remains unpaid. The terms of the promissory notes were negotiated at arm's length.

8. Annexed hereto as Schedule A to this ruling is a list of the names of the Unsecured Creditors, Former Employees, Former Executives and Note Holders (collectively, the "Creditors") to whom it is proposed that the 5,000,000 Common Shares be issued and amounts owing to them.

9. The Applicant has agreed, subject to regulatory and TSE approval, to issue an aggregate of 5,000,000 Common Shares to the Creditors in full satisfaction of outstanding indebtedness and obligations owing to the Creditors.

10. The issuance of the 5,000,000 Common Shares to the Creditors will assist the Corporation in furthering its objective of preserving cash flow necessary for the growth of the Corporation.

11. The amounts owing to the Creditors are bona fide debts of the Corporation. Each of the Creditors has accepted the proposal of the Corporation to issue the Common Shares to each of them to release the Corporation's obligations to each of them, respectively.

12. Each of the Creditors had originally entered into contractual relations with the Corporation with the expectation that cash payment would be made by the Corporation.

13. After giving effect to the Proposal, the Common Shares to be issued to the Creditors will represent approximately 15% of the issued and outstanding Common Shares, calculated as follows: 5.5% in the case of the Unsecured Creditors, 7.2% in the case of the Former Employees and 2.3% in the case of the Note Holders.

14. The TSE has conditionally accepted notice of the distribution of the Common Shares to the Creditors.

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

IT IS RULED, pursuant to subsection 74(1) of the Act, that the issuance of an aggregate of 5,000,000 Common Shares to the Creditors is not subject to section 25 or 53 of the Act, provided that:

(A) the Corporation shall provide the Creditors with a copy of this ruling together with a statement to the effect that, as a consequence of this ruling, certain protections, rights and remedies provided by the Act in respect of securities issued pursuant to a prospectus are not available to the Creditors in respect of the Common Shares acquired pursuant to this ruling and setting out the limitations on disposition of such securities;

(B) the first trade in any of the Common Shares issued to the Creditors, other than the Former Executives, pursuant to this ruling shall be a distribution, unless such trade is made in accordance with the provisions of subsection 72(5) of the Act and O.S.C. Rule 45-501, as if such common shares had been acquired pursuant to one of the prospectus exemptions referred to in subsection 72(5) of the Act; and

(C) the first trade in any of the Common Shares issued to the Former Executives pursuant to this ruling shall be a distribution, unless such trade is made in accordance with the provisions of subsection 72(4) of the Act and O.S.C. Rule 45-501, as if the Common Shares had been acquired pursuant to one of the prospectus exemptions referred to in subsection 72(4) of the Act.

April 24, 2001.

"H.I. Wetston" "Paul Moore"

SCHEDULE A
Simmonds Capital Limited
Issue of Shares to Settle Debt

I Unsecured Creditors - Arm's Length

Creditor	Debt	Share Price	Number of Shares to be Issued
Arrow Electronics Limited	$496,000	$0.11	750,000
IBM Canada Limited	$700,000	$0.11	1,100,000
TOTAL	$1,196,000		1,850,000

II Former Employees

Creditor	Debt	Share Price	Number of Shares to be Issued
Carrie Weiler	$75,000	$0.11	$150,000
Cathy Mills	$20,000	$0.11	25,000
Greg Fanjoy	$5,000	$0.11	10,000
Trudy Wilson	$10,000	$0.11	10,000
Cathy Gregoire	$10,400	$0.11	20,000
Ruth Cain	$17,000	$0.11	35,000
Tony Smith	$200,000	$0.11	1,008,109
Maurice Elliott	$73,128	$0.11	175,000
Pat Hartman	$19,039	$0.11	65,000
Ron Martin	$11,663	$0.11	50,000
Cliff Schmitt	$5,000	$0.11	25,000
TOTAL	$446,230		1,498,109

III Former Executives

Creditor	Debt	Share Price	Number of Shares to be Issued
Gary Hokkanen	$75,000	$0.11	150,000
David O'Kell	$571,000	$0.11	750,000
TOTAL	$646,000		900,000

IV Holders of Promissory Notes - Arm's length

Creditor	Debt	Share Price	Number of Shares to be Issued
Bruce Cameron	$58,060	$0.11	135,473
Al Villett	$14,311	$0.11	33,392
Mike Smith	$29,030	$0.11	67,736
Ron Martin	$14,515	$0.11	33,868
Earl Thomas	$174,181	$0.11	406,422
TOTAL	$290,097		751,891

2.3.2 Mullen Transportation Inc. et al. - ss. 59(1)

Headnote

Subsection 59(1) of Schedule 1 – issuers exempt from payment of fees calculated pursuant to section 28(2) of the Schedule subject to certain conditions, which fees would otherwise be payable as a result of an arrangement and related amalgamations for restructuring purposes – no change in beneficial ownership of securities and issuers did not receive any proceeds from the distributions of securities.

Statutes Cited

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

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 28(2), 59(1) of Schedule 1.

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

AND

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

AND

IN THE MATTER OF
MULLEN TRANSPORTATION INC.,
MOVEITONLINE INC.
AND 929576 ALBERTA LTD.

RULING
(Subsection 59(1) of Schedule 1 to the Regulation)

UPON the application (the "Application") of Mullen Transportation Inc. ("Mullen") Moveitonline Inc. ("Existing Moveitonline") and 929576 Alberta Ltd. ("NewCo") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 59(1) of Schedule 1 (the "Schedule") to the Regulation made under the Act that Mullen, Existing Moveitonline and NewCo be exempt from fees payable pursuant to subsection 28(2) of the Schedule in connection with the plan of arrangement pursuant to section 186 of the *Business Corporations Act* (Alberta) (the "Arrangement") involving Mullen, its shareholders and optionholders, Existing Moveitonline and NewCo.;

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

AND UPON Mullen, Moveitonline and NewCo having represented to the Commission that:

1. Mullen is a corporation amalgamated under the *Business Corporations Act* (Alberta) (the "ABCA").

2. Mullen is a reporting issuer under the Act and, to the best of its knowledge, is not in default of any of the requirements of the Act or the rules or regulations made thereunder.

3. The authorized capital of Mullen consists of (i) an unlimited number of common shares ("Mullen Common Shares") without nominal or par value, of which 14,169,730 were issued and outstanding as at March 31, 2001 as fully paid and non-assessable; and (ii) an unlimited number of Preferred Shares (the "Mullen Preferred Shares") without nominal or par value issuable in series, none of which are issued and outstanding.

4. The Mullen Common Shares are listed on The Toronto Stock Exchange.

5. The business of Mullen is structured into three divisions, an oilfield services division, a trucking division and a logistics division. The oilfield services division provides specialized transportation equipment to the oil and gas industry, primarily in Western Canada. The trucking division offers a wide range of truckload, less-than-truckload, general freight services and bulk commodity hauling to customers in Canada, the United States and, to a lesser extent, Mexico. The logistics division provides non-asset-based third party logistics and e-business application services businesses.

6. Mullen's principal business and head office is located at P.O. Box 87, #1 Maple Leaf Road, Aldersyde, Alberta, T0L 0A0 and its registered office is located at 1500, 407-2nd Street S.W., Calgary, Alberta, T2P 2Y3.

7. Following the Arrangement, Mullen will continue to own the oilfield services division (the oil and gas industry services business now carried on by Mullen) and the trucking division (the general freight highway hauling services business now carried on by Mullen) and a new company, to be named Moveitonline Inc.("Moveitonline") will carry on the non-asset-based third party logistics and e-business application services businesses now carried on as the logistics division of Mullen (the "Moveitonline Business").

8. Each Mullen Shareholder will, immediately after the Arrangement, hold one new common share of Mullen ("New Common Share") and one common share of Moveitonline ("Moveitonline Share") for each Mullen Common Share held immediately prior to the Arrangement.

9. Each holder of options to acquire Mullen Common Shares will dispose of such options by exchanging such options for options to acquire the same number of New Common Shares on the same terms and conditions other than the exercise price, which price will be equal to the original exercise price less the fair market value, as determined by the board of directors of Mullen, of a Moveitonline Share.

10. Existing Moveitonline, a wholly-owned subsidiary of Mullen, is a corporation incorporated under the ABCA.

11. Newco is a corporation incorporated under the ABCA and was incorporated for the purpose of facilitating the Arrangement.

12. Under the Arrangement the shares of Existing Moveitonline will be transferred by Mullen to NewCo followed by an amalgamation of Existing Moveitonline and NewCo with the result that, following the Arrangement, the Moveitonline Business will be conducted by Moveitonline.

13. Pursuant to the Arrangement and certain related transactions, Mullen will distribute its interest in Moveitonline to holders of Mullen Common Shares through a series of transactions commonly referred to as a butterfly transaction. The steps in the Arrangement include, among others, the following:

    (a) each holder of Mullen Common Shares will exchange each Mullen Common Share held for one New Common Share and one Special Share of Mullen (the "Mullen Special Shares");

    (b) NewCo will acquire all of the Mullen Special Shares issued in accordance with (a) above, without action by the holder thereof, and in exchange therefor will issue to the holders of such Mullen Special Shares one common share of NewCo for each Mullen Special Share acquired;

    (c) Mullen will transfer all of the issued and outstanding shares of Existing Moveitonline to NewCo in consideration of NewCo issuing redeemable retractable special shares of NewCo ("NewCo Special Shares") to Mullen;

    (d) NewCo will redeem from Mullen all of the NewCo Special Shares and will issue to Mullen, in consideration therefor, a demand promissory note in a principal amount equal to such aggregate redemption amount for the NewCo Special Shares;

    (e) Mullen will redeem from Newco all of the Mullen Special Shares and will issue to NewCo, in consideration therefor, a demand promissory note in a principal amount equal to such aggregate redemption amount for the Mullen Special Shares;

    (f) the demand promissory notes referred to in (d) and (e), above, will be set-off against each other in full satisfaction of the obligations under each note; and

    (g) NewCo and Existing Moveitonline will be amalgamated effective as at 6:00 p.m. Calgary Time on the Effective Date to form a new corporation, Moveitonline.

14. Each of the issuances or exchanges of securities described in paragraph 13 above were made in Ontario in reliance upon the exemptions granted by the Commission pursuant to a decision document dated May 28, 2001.

15. None of Mullen, Existing Moveitonline, NewCo or Moveitonline will receive any proceeds from the distribution of securities pursuant to the Arrangement.

16. The Arrangement will not result in a change in beneficial ownership of the securities of or held by Mullen immediately prior to the Arrangement because the beneficial owners of Mullen Common Shares immediately prior to the Arrangement will be the same as the beneficial owners of New Common Shares and Moveitonline Shares (formerly held by Mullen in the form of shares of NewCo and Existing Moveitonline) immediately after the Arrangement.

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

IT IS RULED, pursuant to subsection 59(1) of the Schedule that Mullen shall be exempt from the payment of fees pursuant to subsection 28(2) of the Schedule in respect of the distribution of securities of Mullen and Moveitonline pursuant to the Arrangement as described in paragraph 13, above.

June 5, 2001.

"Paul Moore" "J.A. Geller"

Chapter 3

Reasons: Decisions, Orders and Rulings

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
Note: *"Blue Gold Canam International Partnership 1990" and "Dura Products International Inc. International Inc." published last week were incorrect, the three correct issuers follow below:* Blue Gold International Inc. Canam International Partnership 1990 Dura Products International Inc.	25 May 01	06 Jun 01	-	--
Eletel Inc. Lyon Lake Mines Ltd. Regal Consolidated Ventures Limited	31 May 01	12 June 01	-	-
Golden Crescent Corporation William Multi-Tech Inc.	04 Jun 01	15 Jun 01	-	-
Cabot Creek Mineral Corporation	5 June 01	15 June 01	-	-

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 Rescinding Order
Dotcom 2000 Inc. Galaxy OnLine Inc. Melanesian Minerals Corporation St. Anthony Resources Inc. William Multi-Tech Inc.	29 May 01	11 Jun 01	-	-
Brazilian Resources, Inc. Landmark Global Financial Corporation Link Mineral Ventures Ltd. Nord Pacific Limited	30 May 01	12 Jun 01	-	-

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Chapter 5

Rules and Policies

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Chapter 6

Request for Comments

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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

Exempt Financings

The Ontario Securities Commission reminds Issuers of exempt financings that they are responsible for the completeness, accuracy and timely filing of Forms 20 and 21 pursuant to section 72 of the Securities Act and section 14 of the Regulation to the Act. The information provided is not verified by staff of the Commission and is published as received except for confidential reports filed under paragraph E of the Ontario Securities Commission Policy Statement No. 6.1.

Reports of Trades Submitted on Form 45-501f1

Trans. Date	Security	Price ($)	Amount
15May01	Agile Systems Inc. - Units	2,750,013	2,750,013
25May01	Ansopolo Investments Corporation - Exchangeable Debentures due 2026	103,500,000	103,500,000
23Apr01	Aquila, Inc. - Shares of Common Stock	2,505,360	73,000
18May01 & 25May01	Arrow White Mountain Fund - Class I Trust Units	100,000	991
Apr01	Asset Allocation Private Trust C/O Integra Capital Corporation - Units	1,454,462	161,595
Apr01	Asset Allocation Private Trust C/O Integra Capital Corporation - Units	1,177,472	107,378
Apr01	Asset Allocation Private Trust C/O Integra Capital Corporation - Units	5,571,684	507,490
Apr01	Asset Allocation Private Trust C/O Integra Capital Corporation - Units	3,779,119	352,353
Aug00	BCOM I Private Investors, Ltd. -	1,546,970	1,000
04May01	BPI American Opportunities Fund - Units	157,999	1,257
11May01	BPI American Opportunities Fund - Units	476,242	3,807
31May01	C-Com Satellite Systems Inc. - Common Shares	250,000	1,000,000
09May01	Canada-Israel Opportunity Fund IV, The - Limited Partnership Units	350,000	350
29Mar01	Canada-Israel Opportunity Fund IV - Units	US$200,000	200
17May01	CanWest Media Inc. - U.S. Dollar Senior Subordinated Notes	$20,488,750	$20,488,750
14May01	Capital International Emerging Markets Fund - Class A1 (USD) Shares	152,292,000	3,555,878
16May01	Classwave Wireless Inc. - Unit	US$2,500,000	1
22May01	Columbia River Resources Inc. - Shares	150,001	651,050
07May01	DWL Incorporated - Unit	4,500,000	1
23May01	East West Resource Corporation - Common Shares	3,000	12,500
08May01	Gateway Telecom Canada Inc. - Units	200,000	200
11May01	Hillsborough Resources Limited - Special Warrants	8,262,900	8,697,791
23May01	Indukern Chemie (Canada) Inc. - Common Shares	100,000	100,000
22May01	Industria de Diseno Textil, S.A. - Common Shares	303,150	15,000
17May01	Instinet Group - Common Stock	333,949	15,000
18May01	Ketch Energy Ltd. - Special Warrants	9,075,000	1,210,000
15May01	Kingwest Avenue Portfolio - Units	3,913,282	193,251
24May01	L.E.H. Ventures Ltd. - Units	304,400	761,000
25Apr01	LTG Lasertech Group Inc. - Common Shares	650,000	510,000
10May01 & 14May01	Maxxum Financial Services - Class A Units	300,000	3,000
17May01	Megawheels.com Inc. - Series A Convertible Preferred Shares	682,388	3,411,944

Trans. Date	Security	Price ($)	Amount
16May01	Megawheels.com Inc. - Special Notes	$1,000,000	$1,000,000
16May01	NTS Computer Systems Ltd. - Debenture	5,800,000	5,800,000
02May01	Radiant Communications, Inc. - Convertible Loan	577,500	577,500
24May01	SDL Technologies Inc. - Special Warrants	200,000	200,000
25May01	SHAAE (2001) Master Limited Partnership - Limited Partnership Units	3,031,630	176
22May01	SiberCore Technologies Incorporated - Common Shares	150,001	85,715
24May01	Solinet Systems, Inc. - Series B Convertible Preferred Shares	12,378,404	3,555,557
04May01	Trident Global Opportunities Fund - Units	468,538	4,422
01Feb01	WETV Network Corporation - Units	256,008	16,000
23May01	Wheaton River Minerals Ltd. - Special Warrants	5,507,000	11,000,000

Notice of Intention to Distribute Securities Pursuant to Subsection 7 of Section 72 - (Form 23)

Seller	Security	Amount
Paros Enterprises Limited	Acktion Corporation - Common Shares	2,000,000
Buhler, John	Buhler Industries Inc. - Common Shares	134,300
Melnick, Larry	Champion Natural Health.com Inc. - Subordinate Voting Shares and Multiple Voting Shares	19,765, 100,000 Resp.
1066918	Diversified Monthly Income Corporation - Common Shares	10
Estill, Glen R.	EMJ Data Systems Ltd. - Common Shares	39,000
Estill, James A.	EMJ Data Systems Ltd. - Common Shares	21,900
Estill Holdings Limited	EMJ Data Systems Ltd. - Common Shares	1,244,700
Xenolith Gold Limited	Kookaburra Resources Ltd. - Common Shares	1,893,700
Oncan Canadian Holdings Ltd.	Onex Corporation - Subordinate Voting Shares	995,900
Malion, Andrew J.	Spectra Inc. - Common Shares	142,000
Faye, Michael R.	Spectra Inc. - Common Shares	144,000
Greyvest Capital Inc.	Synex International Inc. - Common Shares	8,122,833
Greyvest Inc.	Synex International Inc. - Common Shares	937,500
1267104 Ontario Limited	Thomson Corporation, The - Common Shares	129,000
TLT Investments Corp.	Thomson Corporation, The - Common Shares	400,000
Thomson Works of Art Limited	Thomson Corporation, The - Common Shares	200,000

Chapter 9

Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
407 International Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 5th, 2001
Mutual Reliance Review System Receipt dated June 6th, 2001
Offering Price and Description:
$ * - * % Subordinated Bonds, Series 01-C1, due February 16th, 2004
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Casgrain & Company Limited
Promoter(s):
Cintra Concesiones De Infraestructuras De Transporte, S.A.
SNC-Lavalin Inc.
Project #366531

Issuer Name:
Agnico-Eagle Mines Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form PREP Prospectus dated May 30th, 2001
Mutual Reliance Review System Receipt dated May 31st, 2001
Offering Price and Description:
$ * - 8,500,000 Common Shares
Underwriter(s) or Distributor(s):
TD Securities Inc.
Merrill Lynch Canada Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Salomon Smith Barney Canada Inc.
Dundee Securities Corporation
Research Capital Corporation
Promoter(s):
-
Project #364700

Issuer Name:
Aspen Group Resources Corporation
Type and Date:
Preliminary Prospectus dated May 31st, 2001
Receipt dated June 5th, 2001
Offering Price and Description:
1,230,000 Common Shares and 615,000 Common Shares Purchase Warrants issuable on exercise of Previously issued Special Warrants
Underwriter(s) or Distributor(s):
Dominick & Dominick Securities Inc.
Promoter(s):
-
Project #366098

Issuer Name:
Boralex Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated June 1st, 2001
Mutual Reliance Review System Receipt dated 1st June, 2001
Offering Price and Description:
$40,000,000 - 4,000,000 Class A Shares @ $10.00 per Class A Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
National Bank Financial Inc.
First Energy Capital Corp.
Promoter(s):
-
Project #365684

Issuer Name:
Electronic Substrate Systems Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated May 30th, 2001
Mutual Reliance Review System Receipt dated May 30th, 2001
Offering Price and Description:

Underwriter(s) or Distributor(s):
Octagon Capital Corporation
Promoter(s):
Eldon Guay
Wray Hodgson
Garnet Bailey
Project #364418

Issuer Name:
Fincentric Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated May 31st, 2001
Mutual Reliance Review System Receipt dated June 4th, 2001
Offering Price and Description:
$ * - * Common Shares @ $ * per Common Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Yorkton Securities Inc.
Promoter(s):
-
Project #365026

Issuer Name:
Global Strategy Canada Growth Fund
Global Strategy Canadian Opportunities Fund
Global Strategy Canadian Small Cap Fund
Global Strategy World Companies Fund
Global Strategy World Companies RSP Fund
Global Strategy World Equity Fund
Global Strategy World Equity RSP Fund
Global Strategy World Opportunities Fund
Global Strategy Gold Plus Fund
Global Strategy World Balanced RSP Fund
Global Strategy Bond Fund
Global Strategy World Bond Fund
Global Strategy World Bond RSP Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 30th, 2001
Mutual Reliance Review System Receipt dated June 1st, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
-
Project #364812

Issuer Name:
Manitoba Telecom Services Inc.
Principal Regulator - Manitoba
Type and Date:
Preliminary Short Form Shelf Prospectus dated June 1st, 2001
Mutual Reliance Review System Receipt dated June 4th, 2001
Offering Price and Description:
$350,000,000 - Medium Term Notes (unsecured)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #365997

Issuer Name:
Oncolytics Biotech Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Shelf Prospectus dated May 30th, 2001
Mutual Reliance Review System Receipt dated May 31st, 2001
Offering Price and Description:
1,000,000 Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Synsorb Biotech Inc.
Project #365080

Issuer Name:
Royal Bank of Canada
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Shelf Prospectus dated May 31st, 2001
Mutual Reliance Review System Receipt dated June 1st, 2001
Offering Price and Description:
$3,000,000,000 - Medium Term Notes (Subordinated Indebtedness)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #365249

Issuer Name:
Royal Bank of Canada
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated June 1st, 2001
Mutual Reliance Review System Receipt dated June 1st, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #365370

Issuer Name:
SEAMARK Asset Management Ltd.
Principal Regulator - Nova Scotia
Type and Date:
Preliminary PREP Prospectus dated May 31st, 2001
Mutual Reliance Review System Receipt dated June 1st, 2001
Offering Price and Description:
$ * - 3,931,000 Common Shares @ $ * per Common Shares
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Raymond James Ltd.
Beacon Securities Limited
Promoter(s):
-
Project #365131

Issuer Name:
SNC-Lavalin Group Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated June 4th, 2001
Mutual Reliance Review System Receipt dated June 4th, 2001
Offering Price and Description:
$66,000,000 - 3,000,000 Common Shares
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc
Merrill Lynch Canada Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #366038

Issuer Name:
SynX Pharma Inc.
Type and Date:
Preliminary Prospectus dated June 6th, 2001
Receipt dated June 6th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Octagon Capital Corporation
Paradigm Capital Inc.
Promoter(s):
-
Project #366662

Issuer Name:
Pharmaceutical Trust, 2001 Portfolio
Technology Trust, 2001 Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 4th, 2001
Mutual Reliance Review System Receipt dated June 5th, 2001
Offering Price and Description:
Offering of Series A and Series F Units
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #366073

Issuer Name:
Telebec ltee
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated June 5th, 2001
Mutual Reliance Review System Receipt dated June 5th, 2001
Offering Price and Description:
$60,000,000 - 2,400,000 Shares Cumulative Redeemable First Preferred Shares, Series 8
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #366267

Issuer Name:
BFI Commodity Fund Limited Partnership
Principal Regulator - Manitoba
Type and Date:
Amendment #1 dated May 3rd, 2001 to Prospectus dated April 5th, 2001
Mutual Reliance Review System Receipt dated 23rd day of May, 2001
Offering Price and Description:

Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #326621

Issuer Name:
Meritas U.S. Equity Fund
Meritas International Equity Fund
Meritas Jantzi Social Index Fund
Meritas Canadian Bond Fund
Meritas Money Market Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 3rd, 2001 to Simplified Prospectus and Annual Information Form dated
March 21st, 2001
Mutual Reliance Review System Receipt dated 15th day of May, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #324443

Issuer Name:
MONOGRAM CANADIAN MONEY MARKET FUND
MONOGRAM CANADIAN FIXED INCOME FUND
MONOGRAM CANADIAN BOND FUND
MONOGRAM CANADIAN DIVIDEND FUND
MONOGRAM CANADIAN SPECIAL GROWTH FUND
MONOGRAM US EQUITY FUND
MONOGRAM US GROWTH FUND
MONOGRAM INTERNATIONAL EQUITY FUND
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 25th, 2001 to Simplified Prospectus and Annual Information
Form dated June 28th, 2000
Mutual Reliance Review System Receipt dated 1st day of June, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #250885

Issuer Name:
OPUS 2 DIRECT CANADIAN FIXED INCOME POOL
OPUS 2 DIRECT U.S. VALUE EQUITY POOL
OPUS 2 DIRECT FOREIGN EQUITY (E.A.F.E.) POOL
OPUS 2 DIRECT FOREIGN EQUITY (RSP) POOL
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated May 23rd, 2001 to Simplified Prospectus and Annual Information
Form dated September 15th, 2000
Mutual Reliance Review System Receipt dated 1st day of June, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s) or Distributor(s):
Promoter(s):
-
Project #287969

Issuer Name:
Decoma International Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 31st, 2001
Mutual Reliance Review System Receipt dated 31st day of May, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Salomon Smith Barney Canada Inc.
Scotia Capital Inc.
Griffiths McBurney & Partners
Promoter(s):
-
Project #351551

Issuer Name:
First Quantum Minerals Ltd
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated May 30th, 2001
Mutual Reliance Review System Receipt dated 31st day of May, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Canaccord Capital (Europe) Limited
Promoter(s):
-
Project #345269

Issuer Name:
Oxbow Equities Corp.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated May 29th, 2001
Mutual Reliance Review System Receipt dated 31st day of May, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Bay Street Direct Inc.
Promoter(s):

Project #347075

Issuer Name:
Bell Canada
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated June 5th, 2001
Mutual Reliance Review System Receipt dated 5th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
-
Project #362825

Issuer Name:
Hydro One Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Shelf Prospectus dated June 4th, 2001
Mutual Reliance Review System Receipt dated 5th day of June
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Goldman Sachs Canada Inc.
HSBC Securities (Canada) Inc.
Laurentian Bank Seucrities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Salomon Smith Barney Canada Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #361907

Issuer Name:
MOSAID Technologies Incorporated
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 30th, 2001
Mutual Reliance Review System Receipt dated 31st day of May, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Yorkton Securities Inc.
Promoter(s):
-
Project #356654

Issuer Name:
Toromont Industries Ltd.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 6th, 2001
Mutual Reliance Review System Receipt dated 6th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
Raymond James Ltd.
Canaccord Capital Corporation
Promoter(s):
-
Project #361671

Issuer Name:
Westcoast Energy Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Shelf Prospectus dated June 4thth, 2001
Mutual Reliance Review System Receipt dated 5th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #361563

Issuer Name:
AGF International Group Limited - AGF U.S. Value Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated June 1st, 2001 - Mutual Reliance Review System Receipt dated 4th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
-
Project #347661

Issuer Name:
AGF International Group Limited - AGF U.S. Value Class
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated June 1st, 2001
Mutual Reliance Review System Receipt dated 4th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
AGF Funds Inc.
Promoter(s):
-
Project #344879

Issuer Name:
Counsel Select Value Portfolio
Counsel Select Canada Portfolio
Counsel Focus Value Portfolio
Counsel Fixed Income Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated May 31st, 2001
Mutual Reliance Review System Receipt dated 1st day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #344712

Issuer Name:
HIRSCH FIXED INCOME FUND
HIRSCH NATURAL RESOURCE FUND
HIRSCH BALANCED FUND
HIRSCH CANADIAN GROWTH FUND
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated May 24th, 2001
Mutual Reliance Review System Receipt dated 4th day of June, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
iPerformance Fund Corp.
Promoter(s):
-
Project #347704

Issuer Name:
Norrep Fund
Principal Regulator - Alberta
Type and Date:
Final Simplified Prospectus and Annual Information Form dated May 30th, 2001
Mutual Reliance Review System Receipt dated 30th day of May, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #346104

Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
New Registration	Seneca Capital Management LLC Attention: Sandra Monticelli 909 Montgomery Street Suite 500 San Francisco CA 94133 USA	International Adviser Investment Counsel & Portfolio Manager	May 24/01
New Registration	GE Asset Management Canada Company Attention: Christian Benoit Langevin 1 Place Ville-Marie Suite 1401 Montreal QC H3B 2B2	Limited Market Dealer (Conditional) Investment Counsel & Portfolio Manager	Jun 01/01
New Recognition	Gregory H. Wolfond Blue Sky Capital Corporation 4101 Yonge Street Suite 702 Toronto ON M2P 1N6	Exempt Purchaser	Jun 05/01

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA - Board of Directors and Executive Committee By-Law 10

INVESTMENT DEALERS ASSOCIATION OF CANADA – BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE BY-LAW AMENDMENTS

I. OVERVIEW

A CURRENT RULES

Currently, By-laws 10.1 and 10.15 require that the Board of Directors and Executive Committee, respectively, be composed to include the Chair of the Financial Administrators Section. In addition, By-law 10.1 also requires that the Board of Directors include in its composition, up to six public directors and up to sixteen other persons nominated by the Nominating Committee.

B THE ISSUE

An examination of Association corporate governance issues resulted in recommendations that the Executive Committee of the IDA determined required implementation.

C OBJECTIVE

The objective of the amendments is to address corporate governance issues of the Association.

II. DETAILED ANALYSIS

The proposed amendments outlined below are the result of the recommendations outlined by the IDA. One conclusion that was reached was that the composition of the Board of Directors needed to be reviewed. It was concluded that a somewhat smaller Board would be more functional for effective governance or decision-making.

As a result, it was suggested that the size of the Board of Directors be immediately reduced from 28 to 24. This reduction could be achieved by eliminating the representatives from the Montreal Exchange, the Toronto Stock Exchange, the Canadian Venture Exchange and the Financial Administrators Section ("FAS").

Since the exchanges have demutualized or intend to do so and become for-profit commercial companies, the original rationale for their ex officio involvement no longer exists. Further, it was concluded that the Chair of the FAS should no longer automatically be a member of the Executive Committee or the Board. These recommendations will assist in reducing the size and therefore enhance the effectiveness of the Board. However, the Chairs of the Capital Markets, Compliance and Legal Section Corporate Finance, Equity Trading, Retail Sales Committee and FAS will be invited, as appropriate, to attend Executive Committee and Board meetings. In addition, as there will no longer be a FAS representative on the Board, Members' senior financial officers will be considered for Board positions.

This acknowledges the expertise of industry leaders and key decision-makers serving on these committees.

In addition, there was agreement regarding the critical role played by public directors at the IDA. However, it was recognized that their role is fundamentally different from that performed by public directors of public for-profit companies, which is to represent the interests of minority shareholders and shareholders generally, as opposed to insiders or management. At the IDA, that representation is not necessary. Rather, a key responsibility of the IDA's public directors is to protect the public interest, in the event that it conflicts with the interests of the members.

In considering the number and proportion of public directors on the IDA Board, the Executive Committee evaluated a number of relevant issues. A smaller Board, with a larger number of public directors, would mean fewer industry directors with direct experience in the securities industry. This would also result in a Board less representative of the IDA's diverse membership.

Moreover, the Executive Committee was concerned that reducing industry representation to 50% of the Board would effectively constitute a move from self-regulation to third party regulation, a profound shift in policy for a self-regulatory organization ("SRO"). It was acknowledged, however, that public directors had to constitute a sufficient number and proportion of the Board to have the appropriate opportunity to be truly effective.

Finally, it was felt that the public directors did not need to constitute half the Board to make their views effective. Members of the Executive could not recall a single instance in which a majority of the public directors had been outvoted. Indeed, such a situation is extremely unlikely going forward. In any event, if it ever occurred, and a significant public policy issue was involved, the Executive concluded that it could readily be brought to the attention of the regulators.

Consequently, in recognition of the important role played by public directors and the need to balance this against appropriate Board composition, it was determined that their numbers should be increased from six to eight over a two year period, commencing in June 2001.

In addition, to ensure that the public directors are in a position to effectively understand and express their views on a number of public policy issues, further examination will be undertaken

to determine the level of interaction necessary to ensure that public directors can fulfill their commitments and obligations.

B ISSUES AND ALTERNATIVES CONSIDERED

No alternatives were considered.

C PUBLIC INTEREST OBJECTIVE

The Association believes that the proposed amendments are in the public interest.

The governance and organization structure of the IDA is of paramount importance as it provides the platform from which the Association delivers upon its dual mandate. As a national not-for-profit SRO, the aim of the IDA's corporate governance structure must be to satisfactorily address the inherent conflicts of interest between the public, members and management.

D EFFECT OF REVISION

It is the opinion of the IDA that the proposed amendments are necessary to improve the effectiveness of the Association as both an SRO and trade association. The proposed amendments will assist the IDA in proactively managing any perceived conflicts of interest in order that the IDA be seen as performing its member regulation function in an independent, objective and appropriate fashion.

III. COMMENTARY

A FILING IN ANOTHER JURISDICTION

The proposed amendments will be filed for approval in Alberta, British Columbia, Saskatchewan and Ontario and will be filed for information in Nova Scotia.

B EFFECTIVENESS

These proposed amendments are simple and effective.

C PROCESS

The proposed amendments were approved by the Executive Committee and Member Regulation Oversight Committee of the Association.

IV. SOURCES

IDA By-laws 10.1 and 10.15.

V. OSC REQUIREMENT TO PUBLISH FOR COMMENT

The IDA is required to publish for comment the accompanying Policy so that the issue referred to above may be considered by OSC staff.

The Association has determined that the entry into force of the proposed Policy would be in the public interest. Comments are sought on the proposed Policy. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Michelle Alexander, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Compliance, Ontario Securities Commission, 20 Queen Street West, Suite 800, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Michelle Alexander
Senior Legal and Policy Counsel,
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INVESTMENT DEALERS ASSOCIATION OF CANADA

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE

THE BOARD OF DIRECTORS of the Investment Dealers Association hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. By-law 10.1 is amended by deleting the following words:

   "the Chair of the Financial Administrators Section (provided he or she is a partner, director or officer of a Member)".

2. By-law 10.1 is amended by replacing the words "up to six public directors" with the words "up to eight public directors".

3. By-law 10.1 is amended by replacing the words "up to sixteen other persons" with the words "up to thirteen other persons".

4. By-law 10.15 is amended by deleting the following words:

   "the Chair of the Financial Administrators Section (provided he or she is a partner, director or officer of a Member)".

PASSED AND ENACTED BY THE Board of Directors this 11th day of April 2001, to be effective on a dated to be determined by Association staff.

13.1.2 TSE Inc. – POSIT Call Market

THE TORONTO STOCK EXCHANGE – IMPLEMENTATION OF A CALL MARKET

REQUEST FOR COMMENTS

On May 29th, 2001, the Board of Directors of the Toronto Stock Exchange Inc. approved amendments to the Rules and Policies of the TSE to:

- implement a call market as a facility of the TSE ("POSIT Call Market"); and
- provide Participating Organizations ("POs") and eligible institutional clients access to the POSIT Call Market.

The amendments, attached as Appendices "A" and "B", to the existing Rules and Policies will be effective upon approval of the Ontario Securities Commission following public notice and comment. Comments on the rules and amendments to the Rules and Policies should be in writing and delivered within 30 days of the date of this notice to:

Noelle Wood
Senior Counsel
Regulatory & Market Policy
TSE Regulation Services
The Toronto Stock Exchange
2 First Canadian Place
Toronto, Ontario M5X 1J2
Fax: (416) 947-4398
e-mail: **nwood@tsers.com**

A copy also should be provided to:

Randee Pavalow
Manager, Market Regulation
Capital Markets Branch
Ontario Securities Commission
Suite 800, Box 55
20 Queen St. West
Toronto, Ontario M5H 3S8
Fax: (416) 593-8240

BACKGROUND

POSIT Call Market

In November 2000, the TSE announced that it had entered into discussions to license and operate POSIT, a matching system for equity securities as a facility of the TSE, from POSIT-JV. POSIT-JV is a joint venture between ITG Inc. and BARRA, Inc. for the purposes of providing POSIT in Canada. POSIT has been approved by the U.S. Securities and Exchange Commission (the "SEC") and currently operates in the U.S., U.K. and Australia.

The POSIT Call Market will offer an electronic equity matching system to POs and institutions and will allow for TSE-listed stocks to trade anonymously during timed calls during the day with no impact on the auction market. Trades will match at the midpoint of the bid/offer spread. The TSE believes that the introduction of the POSIT Call Market will provide participants

with the desired ability to anonymously trade stocks with other participants at mutually satisfying prices while eliminating "market impact" costs.

The POSIT Call Market will be available to receive orders each trading day from 7:30 a.m. until the last match of the day has commenced (approximately 2:30 p.m.). Orders entered once a match has started will be rejected. Order entry will be reinstated automatically once the internal processes of a match have been completed (i.e. trade reporting and client notification). It is estimated that the timeframe from the beginning of a match until the completion of all reporting will be less than 3 minutes.

CALLS

There will initially be two call sessions at approximately 10:30 a.m. and 2:30 p.m. The actual match times within each call will be random (within a five-minute window of the time of the call). The random match times will minimize the ability of anyone to enter an artificial bid or offer into the auction market in order to affect the call price.

MATCH SEQUENCE

POSIT executes trades by matching buy and sell orders. The algorithm identifies trades by matching buy and sell orders complying with all of the constraints[1] imposed upon the orders by participants. The primary objective of the algorithm is to maximize the total number of shares traded. The secondary objective is to allocate shares between competing orders on a pro-rata basis.

PRICING

The POSIT Call Market system will read real time quote information provided by the TSE's Toronto Broadcast Feed (the "TBF"). The system will use the best bid and ask to determine the mid-market price to 3 decimal places. A snapshot of the mid-point price is taken at the time the match is initiated. If there is no bid/ask for a stock an alert will be generated and the stock will not participate in the match.

PARTICIPANTS

Participating Organizations ("POs") may grant institutions that are eligible to enter orders on the TSE without review by a PO pursuant to Policy 2-501 access to the POSIT Call Market. Orders for all other clients will be required to be entered into the POSIT facility by a PO.

Eligible institutions entering orders into the POSIT Call Market will be required to have Policy 2-502 agreements in place with POs and must designate a PO as their clearing and settlement broker for each order they enter.

ELIGIBLE STOCK

Any of the securities listed on the TSE are eligible to be included in the POSIT Call Market symbol set. A list of valid symbols for the day will be downloaded into the system every morning based upon the stock table in STAMP. Upon entry of an order, participants will receive a reject message if that stock symbol is invalid that day.

Should a stock be halted, delayed, frozen or inhibited in the continuous market at the time a match is run that stock will not participate in the match. Participants entering orders for that stock will receive a "Nothing Done" report for that stock after the match indicating that the order did not get filled.

MINIMUM ORDER SIZE

The minimum order size is the TSE board lot size for that security.[2]

ORDER TYPE RESTRICTIONS

The entry of orders is restricted to orders for regular settlement. Jitney orders and short sales may be entered but must be marked appropriately. Orders may be entered for a single match or multiple matches. Orders designated for multiple matches will remain in the POSIT system until the client cancels the order, it is filled, or the end of the day is reached.

LAST SALES PRICE

Trades in the POSIT Call Market are executed at the midpoint of the bid and ask in the continuous market at the time of the call and, therefore, the TSE believes the trades are representative of the market in a security and should be eligible to set the last sale price. However, for the trading engine to accept trades as eligible to set the last sale price, the price of a trade must be at or between the bid and the ask.

The issue with respect to POSIT trades is that there is a delay between the call time and when POSIT trades are reported to the market. While it is anticipated that this period could be as brief as 30 seconds, it is possible that the reported price may be outside the then current bid and ask. Therefore, although the POSIT Trade is representative of the market, it would be ineligible to set the last sale price. As a result, an earlier price would set the last sale price although it may be even further off the market than the price of the POSIT Trade.

Moreover, since the last sale cannot be referenced to the time of other trades in the continuous market, a POSIT Trade that is reported at 2:35 p.m. could set the last sale price even though trades in the continuous market had occurred between the call, held at 2:30 p.m., and the time the POSIT Trade was reported.

The TSE proposes to initially allow POSIT trades to be eligible to set the last sale price if it is within the bid and ask price when reported. However, Market Surveillance would have the right to declare a POSIT Trade as either representative or not

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[1] Constraints define the rules that will apply to all trades executed for a symbol or a portfolio (a group of symbols). For example, a client can set a minimum or maximum fill value for a stock or a portfolio.

[2] A POSIT Order must be for a board lot or an integral multiple thereof for that security.

representative of the market and manually adjust whether it should be eligible to set the last sale price. The Exchange proposes that a review of POSIT trades and the last sale issue be conducted six months after implementation of the POSIT Call Market to determine whether POSIT trades should continue to be eligible to set the last sale price.

In addition, currently the POSIT system calculates the POSIT price to three decimal points – which may not be a standard trading increment. In order to facilitate the POSIT Price being eligible to set the last sale price, the TSE also recommends that any POSIT prices containing a non-standard trading increment be rounded up or down to the nearest cent or half cent.

REPORTS

The system will generate a STAMP Match Report for all trades at the conclusion of each match. These trades will then be validated by the TSE trading engine. Trade notifications will then be sent through the POSIT system to all order originators. The trade information will also be disseminated to official TSE feeds (TBF, CCDF and HSVF). However, since all POSIT trades are anonymous, the trade reports disseminated during the day will have an anonymous broker number, i.e. 001 and contain only public information (e.g. symbol, volume, price and a POSIT trade marker).

Information for anonymous trades, including private information, is made accessible to designated brokers by approximately 4:15 p.m. through a STAMP query. POs will be responsible for building access to the STAMP trade query in order to access this information.

IMPLEMENTATION

Implementation of the POSIT Call Market is anticipated for third quarter, 2001.

SUMMARY OF AMENDMENTS

INSTITUTIONAL ACCESS TO THE POSIT CALL MARKET

In order to facilitate the ability of institutions to execute trading strategies with reduced market impact, the POSIT Call Market must operate with *absolute anonymity* for these participants. To achieve this, the POSIT Call Market has been designed to guarantee anonymity – no orders can be seen or modified by any party other than the originator of an order.[3] Consequently, eligible Canadian clients will use a web-based access to send their orders to the POSIT system.[4] Designated POs will not be able to see eligible client orders or modify such orders and will only be able to access information regarding an eligible client's match results at the end of the trading day.

Currently, a number of institutional clients access the TSE trading engine, and in the near future will access the eVWAP Facility, through a system interconnect with a PO.[5] The TSE proposes that the same categories of *institutional*[6] clients be eligible to enter orders into the POSIT Call Market.

POs are currently able to provide system interconnect access to clients provided that:

- the client is in a class prescribed by the TSE; and
- the PO's system has been approved by the TSE and it, among other requirements:
  - allows the PO to receive an immediate report of the entry and execution of orders;
  - employs order parameters that permit the PO to route orders over a certain size or value, as agreed to with the client, to a trader and;
  - the PO and client enter into a standard form of agreement approved by the TSE which must include, among other provisions, the right of the PO to reject, change or remove any order or cancel any trade.

To support the anonymous feature of the POSIT facility, the system does not disclose information regarding orders entered by an eligible client to a designated PO and only allows POs to access information regarding a client's matches at the end of each trading day. Consequently, an exemption is required for POs offering clients access to the POSIT Call Market from requirements relating to a PO's ability to see orders, modify or cancel orders, and receive immediate reports relating to the entry and execution of orders by eligible clients.

As indicated above, unlike the standard Policy 2-501 system interconnects, Canadian access to POSIT is through the Internet. In Phase 1, POs will not be providing any front-end software to facilitate a client's access to the TSE and will not have access to a client's orders. Consequently, the PO also cannot set parameters or filters which would route orders over a certain size or value, as agreed to with a client, to a trader at the designated PO. However, the Policy 2-501 agreement between the client and PO for access to POSIT will still be required to contain limits on the value or size of a client's orders. At the end of each trading day a PO can access a client's trade information and review it against the limits imposed in their agreement.

RISKS AND RISK CONTROL MECHANISMS

To the extent that a designated PO cannot review orders nor set parameters to route orders over a certain size or value to a trading desk, there is a greater risk that an order may not comply with Exchange Requirements. Moreover, to the extent that eligible client trades remain undisclosed until the Regular Trading Session closes, the designated PO's credit exposure

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3 If necessary and requested by a client experiencing problems accessing the system, TSE Trading Services staff will be able to change a client's order.

4 Foreign clients will have to use a fixed means of access that is routed through a securities dealer registered in that jurisdiction and to a Canadian PO prior to entering the POSIT Call Market. These orders will still be anonymous.

5 TSE Rule 2-501 and Policy 2-501 govern access for certain "eligible clients" of Participating Organizations.

6 Clients using order-execution accounts will not be eligible for access to the POSIT Call Market through a Policy 2-501 system interconnect for such accounts.

is unknown to the PO. The TSE believes these risks can largely be mitigated through:

- training system available for users of the POSIT system;
- educational materials available for users of the POSIT system;
- limits imposed in the agreement between the client and PO as to the size or value of orders;
- the ability for clients to use the constraints feature of the POSIT system to impose a maximum value of matches allowed per call in order to comply with any limits set out in the agreement between the client and a designated broker; and
- effective post-trade review procedures by POs to enforce clients' credit limits.

ANTI-MANIPULATION

The TSE recognizes that to some extent trades in the regular market may be used in an attempt to influence the POSIT price. For example, an individual could attempt to widen the spread on a stock in order to move the mid-point price of the spread in a favourable direction.

The TSE believes that this type of risk can largely be mitigated through:

- random match times so participants will not know exactly when the match will start and the mid-point price set,
- enhanced Market Surveillance tools to monitor manipulation[7], and
- continued enforcement of TSE anti-manipulation rules.

INDEMNIFICATION PROVISION

Pursuant to Rule 2-307, the TSE is indemnified against losses or claims by POs or clients and the POs are responsible for the entry and execution of all orders on a TSE trading system. As a result, POs are responsible for the entry and execution of orders entered into a TSE trading system by a client through a Policy 2-501 System Interconnect.

Although the POSIT Call Market will be operated as a facility of the TSE and supported by TSE staff, the electronic trading system will retain the POSIT name. This identification with POSIT has raised concerns that client users will identify the TSE call market facility with POSIT-JV (a joint venture of ITG Inc. and Barra, Inc.) even though POSIT-JV is merely licensing the software to the TSE. As a result, The TSE proposes that Policy 2-501 System Interconnect Agreements dealing with access to POSIT contain an indemnification for third party vendors providing software, hardware or services to the TSE in support of such trading systems. This indemnification is comparable to those currently provided to the TSE or other third party vendors providing systems for use in order entry pursuant to Policy 2-501.

HARMONIZATION WITH EXISTING RULES

A number of TSE rules are intended to prevent manipulation and promote a fair and equitable marketplace. However, such rules may be incompatible within a trading system that operates under a different pricing mechanism and priority and allocation algorithm. Attempting to enforce such rules would hinder the TSE's effectiveness in implementing new trading methodologies.

There are a number of rules that are incompatible with the key features of the POSIT call market, namely, anonymity, the matching algorithm and the POSIT pricing mechanism. These features may result in inadvertent violations of certain TSE rules. For example, the down tick restriction in the short sale rule and the uptick restriction in the normal course issuer bid policy are both intended to prevent market manipulation. The POSIT pricing mechanism, however, does not allow an individual to control the price at which an order trades. Due to the price being taken from the midpoint of the bid/ask price in the regular market, a short sale could potentially occur at a price below the last reported price for that security (if the last sale was on the offer).

The TSE believes that short sales or other trades executed in the POSIT system would not involve the types of abuses that Rules 4-301 and 4-501 were designed to address. There is no price discovery mechanism in POSIT. Trades are processed on an anonymous basis at a fixed mid-point of the bid-ask spread on the regular market. Trades are executed according to an algorithm that maximizes the number of trades – priority is not based upon size or time. No participant can be assured of a match nor do they know precisely when the match occurs. As a result, the TSE proposes that trades

in the POSIT call market be granted exemptions from

- Rule 4-501 relating to Client Priority,
- Rule 4-301 relating to Short Sales, and
- Policy on Normal Course Issuer Bids – restriction on up-ticks.

A short sale exemption was granted by the SEC in 1994 for POSIT U.S. with two conditions: i) that the persons relying on the exemption shall not be represented in the primary market or otherwise influence the primary market bid or offer at the time of the transaction; and ii) transactions effected on POSIT shall not be made for the purpose of creating actual, or apparent, active trading in or depressing or otherwise manipulating the price of any security. The TSE is of the opinion that the conditions imposed in the U.S. by the SEC conditions are unnecessary. Restricting persons entering short sales in POSIT from being in the Regular Session unduly affects a person's ability to trade. Moreover, restrictions against market manipulation and monitoring tools allowing Market Surveillance to compare activity in the Auction Market with the POSIT Call Market should be sufficient to prevent or identify attempts to influence the price of a stock.

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7 Monitoring systems will compare activity in the POST Call Market with activity in the continuous market and will generate up to six types of Market Surveillance alerts. In addition, Market Surveillance will have access to the POSIT Trade Report and to a list of orders after the call, enabling staff to compare the order information against trades in POSIT and in the continuous market.

CLIENT PRIORITY

Rule 4-501 requires a PO to give priority to client orders. This concept of client priority within a firm is a fundamental underpinning of market integrity. The allocation system of the POSIT Call Market, however, cannot support the client priority rule. In addition, the anonymity feature of the POSIT Call Market prevents a designated PO from complying with the rule for trades resulting from orders entered by eligible institutional clients since the information regarding these clients' trades will not be available to POs until the end of each trading day. As a result, the TSE recommends that Rule 4-501 not apply to eligible institutional client orders entered into the POSIT Call Market without review by a PO. This exemption is consistent with the client priority rules for the eVWAP Facility.

HARMONIZATION WITH PROPOSED ATS FRAMEWORK RULES

The TSE is of the opinion that the proposed rules relating to the operation of the POSIT call market are consistent with the proposed ATS Framework Rules. In particular, the POSIT Call Market is consistent with the proposed Best Execution Rule since clients will need to request or consent to their orders being sent to the POSIT call market or will send their orders directly because they want to efficiently trade stocks anonymously and with no
market impact.

QUESTIONS

Questions concerning this notice should be directed to Regulatory and Market Policy by contacting either Patrick Ballantyne, Director at (416) 947-4281 or Noelle Wood, Senior Counsel at (416) 947-4562.

BY ORDER OF THE BOARD OF DIRECTORS

LEONARD P. PETRILLO
VICE PRESIDENT, GENERAL
COUNSEL AND SECRETARY

APPENDIX "A"

**THE RULES
OF
THE TORONTO STOCK EXCHANGE INC.**

The Rules of The Toronto Stock Exchange are hereby amended as follows:

1. Rule 1-101(2) is amended by adding the following definitions:

"Constraint" means a restriction on the trading of a POSIT Order placed at any time prior to execution by the POSIT Participant entering the POSIT Order provided the restriction is:

(a) the minimum number of units of a security or securities to be traded;

(b) the Net Buy Imbalance;

(c) the Net Sell Imbalance; or

(d) of a type acceptable to the Exchange.

"Multiple Match Order" means a POSIT Order that has been specified by the POSIT Participant at the time of entry to the POSIT Call Market to be an order eligible to trade until the earlier of:

(a) cancellation of the POSIT Order by the POSIT Participant;

(b) the completion of the last POSIT Call on the Trading Day on which the POSIT Order was entered.

"Net Buy Imbalance" means the maximum amount by which the total value of the securities to be purchased may exceed the total value of the securities to be sold on the POSIT Order;

"Net Sell Imbalance" means the maximum amount by which the total value of the securities to be sold may exceed the total value of the securities to be purchased on the POSIT Order;

"POSIT Participant" means:

(a) a Participating Organization; or

(b) a client of a Participating Organization pursuant to Rule 2-501 that enters an order into the POSIT Call Market but does not include a client that enters an order for an Order-Execution Account.

"POSIT Call Market" means a facility of the Exchange that is an electronic trading system that executes trades at the POSIT Price.

"POSIT Call" means the times during a Trading Day that POSIT Orders may execute.

"POSIT Order" means an order for regular settlement for the purchase or sale of a listed security entered to trade only on the POSIT Call Market.

"POSIT Match Time" means a time not more than five minutes following the POSIT Call which has been randomly selected by the Exchange in respect of that POSIT Call at which POSIT Orders will execute.

"POSIT Price" means, in respect of each security, the average price of the bid price and the ask price for that security on the Exchange at POSIT Match Time [rounded to the nearest price increment permitted in accordance with Rule 4-404].

2. The Rules are amended by adding the following as Rule 4-106:

4-106 POSIT Call Market

(1) Establishment of Times for POSIT Calls

Unless otherwise prescribed, a POSIT Call shall occur on each Trading Day at:

(a) 10:30 a.m.; and

(b) 2:30 p.m.

(2) Order Entry

A POSIT Participant may enter a POSIT Order at any time on a Trading Day as may be determined by the Exchange.

(3) Orders for Board Lots

A POSIT Order for a particular security must be for a board lot or an integral multiple of a board lot of that security.

(4) Restrictions on Execution

A POSIT Order for a particular security shall not execute if, at the POSIT Match Time:

(a) trades in the security are subject to special settlement rules issued by the Exchange in accordance with Rule 5-103(2);

(b) trading in the particular security has been halted or delayed by the Exchange or a Market Surveillance Official; or

(c) there is not both an ask price and a bid price for the security.

(5) Unfilled Orders

Unless an order is a Multiple Match Order, any POSIT Order which is not executed at the POSIT Call which occurs immediately following the entry of the POSIT Order shall be automatically cancelled.

(6) Execution and Allocation of Trades

Subject to compliance with any Constraints, in respect of each POSIT Call, POSIT Orders shall execute at the POSIT Price at the POSIT Match Time and shall be allocated among orders:

(a) to maximize the total number of securities traded during the particular POSIT Call and

(b) on a *pro rata* basis [rounded to the nearest board lot in respect of each security].

(7) Compliance with Short Sale Rule

For the purposes of Rule 4-301(1), a short sale in a security may be made in the POSIT Call Market notwithstanding that the POSIT Price in respect of such security is below the price of the last board lot sale of the security on the Exchange.

(8) Exemption from the In-House Client Priority Rule

Notwithstanding Rule 4-501, a Participating Organization need not give priority to a client order if the client has entered the order as a POSIT Order pursuant to access provided to the client under Rule 2-501.

3. Rule 4-901(2) is deleted and the following substituted:

(2) All transactions in the Special Trading Session shall be at a price of the last sale of the security during the Regular Session or, if the last trade in the security is in the POSIT Call Market, unless otherwise determined by a Market Surveillance Official, at the POSIT Price.

THIS RULE AMENDMENT MADE this 29th day of May, 2001 to be effective upon approval of the amendment by the Ontario Securities Commission.

"Daniel F. Sullivan" "Leonard P. Petrillo"

APPENDIX "B"

THE POLICIES
OF
THE TORONTO STOCK EXCHANGE INC.

The Policies of The Toronto Stock Exchange are hereby amended as follows:

1. Policy 2-502(2)(a) is deleted and the following substituted:

   (a) the eligible client is authorized to connect to:

      (i) the Participating Organization's order routing system,

      (ii) the eVWAP Facility, or

      (iii) the POSIT Call Market;

2. Policy 2-502 is amended by adding the following:

   (6) POSIT Call Market Requirements

   The agreement required by Rule 2-502(b) between a Participating Organization and a client with respect to the POSIT Call Market, may omit provisions otherwise required by Policy 2-502(1)(d), 2-502(2)(d) and (e), and 2-502(3)3 if:

   (a) the agreement provides that any person, other than the Exchange, who provides software, hardware or services to the Exchange ("Third Party Provider") to support the operations of, or the services or information accessible through, the trading system which shall include without limitation, the POSIT Call Market, shall not be liable to the Participating Organization or the eligible client or any other person for any loss, damage, cost, expense or other liability or claim (including loss of business, profits, trading losses, loss of anticipated profits, business interruption, loss of business information or for indirect, special, punitive, consequential or incidental loss or damage or other pecuniary loss) of any nature arising from any use or inability to use the trading system, howsoever caused, including by the Third Party Provider's negligence or reckless or wilful acts or omissions, even if the Third Party Providers are advised of such possibilities; and

   (b) the system through which the order is transmitted:

      (i) enforces Exchange Requirements relating to the entry of POSIT Orders, and

      (ii) has the ability to generate a trade report to the client and, for the purposes of disseminating the trade report to eligible clients outside of Canada, to the designated Participating Organization; and

   (c) the Participating Organization has the ability to access an eligible client's trade report through the STAMP trade query.

3. Policy 6-501(9)1 is amended by inserting "or the POSIT Call Market" after the phrase "other than purchases made in the eVWAP Facility".

THIS POLICY AMENDMENT MADE this 29th day of May, 2001 to be effective upon approval of the amendment by the Ontario Securities Commission.

"Daniel F. Sullivan" "Leonard P. Petrillo"

13.1.3 TSE - The Exchange & Yorkton Securities Inc.

June 5, 2001
No. 2001-151

PARTICIPATING ORGANIZATION DISCIPLINED

Firm Disciplined

On June 4, 2001, a Hearing Committee Panel of The Toronto Stock Exchange Inc. (the "Exchange") approved an Offer of Settlement made between the Exchange and Yorkton Securities Inc. ("Yorkton"), a Participating Organization of the Exchange.

Rules Violated

Under the terms of the Offer of Settlement, Yorkton admits that it committed the following violations:

a. Between February 1998 and July 2000, Yorkton failed to ensure that its employees, directors and officers complied with Exchange Requirements; and
b. Between March 1998 and July 2000, Yorkton engaged in conduct, business or affairs that is unbecoming.

Penalty Assessed

Pursuant to the terms of the Offer of Settlement, Yorkton is required to:

a. pay a fine of $300,000; and
b. pay $60,000 towards the cost of the Exchange's investigation.

Summary of Facts

Customer-principal trade disclosures

The Exchange conducted a Trade Desk Review ("TDR") of Yorkton in 1998, 1999 and 2000 and found that, respectively, 90%, 82% and 58% of the customer-principal trades reviewed were not marked as "principal", contrary to section 11.67(4) of the General By-law of the Exchange (the "General By-law").

Restricted trading while involved in a distribution

On January 29, 1999 and between January 12 and April 20, 2000, several traders employed by Yorkton entered orders to purchase shares of various securities when Yorkton was involved in a distribution of those securities. Because the purchases were made above the distribution price, these purchases contravened section 11.11 of the General By-law (now Rule 4-303(5)). In one instance, Yorkton failed to take adequate steps to determine whether the prospectus had been receipted by the Ontario Securities Commission, and this led to several section 11.11 violations on January 29, 1999. In another instance, Yorkton failed to circulate its internal restricted list to its Chicago office for approximately one year.

Failure to respond to directions of the Exchange

Following the 1998 and 1999 TDRs, at the direction of the Exchange, Yorkton undertook to perform regular internal reviews until acceptable compliance levels were achieved and to provide a copy of those reviews to the Exchange on a monthly basis. Yorkton failed to provide the Exchange with copies of those reviews in 1998 and the reviews following the 1999 TDR were delivered by Yorkton several months late.
In March and May 2000, the Exchange sought from Yorkton a written response addressing how Yorkton intended to prevent a recurrence of the section 11.11 violations committed by Yorkton's traders. Despite subsequent reminders by the Exchange, Yorkton failed to respond to the Exchange's request in a timely manner.

General supervisory failures and conduct unbecoming

Between February 1998 and July 2000, Yorkton breached its supervisory obligations in that it failed to adequately respond to the heightened compliance and business risks raised by the following incidents:

- The Exchange had identified several compliance deficiencies in its 1998 TDR, particularly with respect to customer-principal trade disclosures.
- Yorkton's Director of Compliance suddenly resigned in October 1998 at a time when Yorkton was experiencing a period of rapid growth in its institutional and proprietary trading business.
- When its Director of Compliance resigned in October 1998, Yorkton failed to take sufficient steps to identify on-going compliance issues and commitments to the Exchange, including those from the 1998 TDR.
- In January 1999, Yorkton's failure to properly ascertain that a prospectus had been receipted led to several section 11.11 violations.
- The results of the Exchange's 1999 TDR indicated that Yorkton had still not addressed several compliance deficiencies, particularly with respect to customer-principal trade disclosures.
- A number of section 11.11 violations occurred in the spring of 2000 and Yorkton received a number of warning letters from the Exchange in respect of those violations during a period of time in which Yorkton's new issue revenue and workforce was significantly increasing.
- Yorkton did not respond in a timely manner to the directions of the Exchange in March and May 2000 requiring a written response to the section 11.11 violations.

Participating Organizations that require additional information should direct their questions to Marie Oswald, Director, Investigations and Enforcement, Regulation Services at 416-947-4376.

"Leonard Petrillo"

Chapter 25

Other Information

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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