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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

March 15, 2002

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

Telephone: 416- 597-0681 Telecopiers: 416-593-8348

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- -

THE COMMISSIONERS

David A. Brown, Q.C., Chair	—	DAB
Paul M. Moore, Q.C., Vice-Chair	—	PMM
Howard I. Wetston, Q.C., Vice-Chair	—	HIW
Kerry D. Adams, FCA	—	KDA
Derek Brown	—	DB
Robert W. Davis, FCA	—	RWD
Robert W. Korthals	—	RWK
Mary Theresa McLeod	—	MTM
H. Lorne Morphy, Q. C.	—	HLM
R. Stephen Paddon, Q.C.	—	RSP

SCHEDULED OSC HEARINGS

March 5,7, 8, 19,21,22,28, 29/02 9:30 a.m. March 18 & 25, 2002 9:30 a.m. - 1:00 p.m. April 1, 2,4,5, 8, 11,12/02 9:30 a.m. March 12 & 26/02 2:00 p.m. April 9/02 2:00 p.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
March 27, 2002 9:30 a.m.	**Frank Smeenk** s. 144 I. Smith in attendance for Staff Panel: TBA
April 15 - 19, 2002 9:30 a.m.	**Sohan Singh Koonar** s. 127 J. Superina in attendance for Staff Panel: PMM / KDA / RSP
April 22 - 26, 2002 10:00 a.m.	**Mark Bonham and Bonham & Co. Inc.** s. 127 M. Kennedy in attendance for staff Panel: HIW / KDA /

May 1 - 3, 2002 10:00 a.m.	**JAMES FREDERICK PINCOCK** s. 127 J. Superina in attendance for staff Panel: PMM / RSP / HLM	
May 6, 2002 10:00 a.m.	**Teodosio Vincent Pangia, Agostino Capista and Dallas/North Group Inc.** S. 127 Y. Chisholm in attendance for Staff Panel: PMM	
May 13 - 17, 2002 10:00 a.m.	Yorkton Securities Inc., Gordon Scott Paterson, Piergiorgio Donnini, Roger Arnold Dent, Nelson Charles Smith and Alkarim Jivraj **(Piergiorgio Donnini)** s. 127(1) and s. 127.1 J. Superina in attendance for Staff Panel: PMM / KDA /	
June 12, 2002 9:30 a.m.	**Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein and Robert Topol** s. 127 J. Superina in attendance for Staff Panel: HIW	

ADJOURNED SINE DIE

Buckingham Securities Corporation, Lloyd Bruce, David Bromberg, Harold Seidel, Rampart Securities Inc., W.D. Latimer Co. Limited, Canaccord Capital Corporation, BMO Nesbitt Burns Inc., Bear, Stearns & Co. Inc., Dundee Securities Corporation, Caldwell Securities Limited and B2B Trust	**Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall, DJL Capital Corp., Dennis John Little and Benjamin Emile Poirier**
DJL Capital Corp. and Dennis John Little	**First Federal Capital (Canada) Corporation and Monter Morris Friesner**
	Global Privacy Management Trust and Robert Cranston
	Irvine James Dyck
	Ricardo Molinari, Ashley Cooper, Thomas Stevenson, Marshall Sone, Fred Elliott, Elliott Management Inc. and Amber Coast Resort Corporation
	M.C.J.C. Holdings Inc. and Michael Cowpland
	Offshore Marketing Alliance and Warren English
	Philip Services Corporation
	Rampart Securities Inc.
	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

1.1.2 CSA Staff Notice 44-301 - Frequently Asked Questions Regarding the New Prospectus Rules

CANADIAN SECURITIES ADMINISTRATORS
STAFF NOTICE 44-301

FREQUENTLY ASKED QUESTIONS REGARDING
THE NEW PROSPECTUS RULES

Introduction

On December 31, 2000, National Instrument 44-101 Short Form Prospectus Distributions ("NI 44-101"), National Instrument 41-101 Prospectus Disclosure Requirements ("NI 41-101"), National Instrument 44-102 Shelf Distributions ("NI 44-102") and National Instrument 44-103 Post-Receipt Pricing ("NI 44-103") came into effect. At the same time, Ontario Securities Commission Rule 41-501 General Prospectus Requirements ("Rule 41-501") came into force in Ontario and became available to issuers in each of the other Canadian jurisdictions. Together, these instruments provide a substantially complete code for the preparation of prospectuses for issuers other than mutual fund issuers.

Since their implementation, staff of the various members of the Canadian Securities Administrators ("staff") have received numerous enquires as to the application and operation of the new prospectus rules. Accordingly, staff have compiled the following list of frequently asked questions, together with their responses to such questions, in order to assist issuers, their auditors and their counsel in complying with the new prospectus regime. Readers should note, however, that the responses presented in this notice represent the views of staff and are intended as general guidance only. Staff will endeavour to periodically republish this staff notice as new questions arise, or to reflect changes in staff's views.

In 2002, staff will assess the first year's experience with the new prospectus rules and consider whether changes, in addition to those suggested in this staff notice, would be appropriate.

This document is also being published on the Ontario Securities Commission website (**www.osc.gov.on.ca**).

Contents

A. Ontario Securities Commission Rule 41-501 General Prospectus Requirements

A1. Subsection 2.2(2) of Rule 41-501 – Significant Acquisitions

If an issuer (Company A) has acquired Company B, which in turn had recently acquired Company C, how should Company A apply the significance tests to the acquisition of Company C?

Rule 41-501 does not specifically discuss "multi-tier" or "indirect" acquisitions, however the significance of Company C should be based on Company A's proportionate interest in Company C through Company B. If Company A acquired 50% of Company B, and Company B had previously acquired 80% of Company C, Company A's proportionate interest in Company C for the purposes of the significance test should therefore be 40%.

A2. Paragraph 2.2(3)3 of Rule 41-501 – Optional Significance Tests Subsequent to the Date of Acquisition – Calculating the Income Test

The optional income test set out in paragraph 3 of subsection 2.2(3) of Rule 41-501appears to preclude the use of interim or annual financial statements for a period which ended less than 60 or 90 days, respectively, from the date of the prospectus. Is this interpretation correct?

No. An issuer is not prohibited from including in a prospectus its own financial statements or financial statements of a business acquired or to be acquired for a period more recent than that required by the Rule. Staff encourage issuers to include more recent information in a prospectus if it is available. The companion policy explains the rationale underlying the 60 and 90 day thresholds, but those thresholds do not prevent an issuer from including more recent financial statements in a prospectus or using those financial statements for purposes of applying the significance tests.

A3. Section 4.6 of Rule 41-501 – Interim Financial Statements of the Issuer

Should an issuer include its third quarter interim financial statements (e.g. September, 20X0) in a prospectus even if the annual financial statements for the year ended December 31, 20X0 are included in a prospectus?

Although section 4.6 requires the third quarter interim financial statements to be included in a prospectus, staff believe that the duplication of information would not be helpful. In such circumstances, staff will look favourably upon an application for an exemption from this provision. Upon request, staff will also recommend the waiver of any relevant application fee.

Staff intend to recommend that Rule 41-501 be amended to address this issue.

A4. Paragraphs 6.2(1)1 and 6.3(1)1 and 2 of Rule 41-501 – Financial Statement Disclosure for Significant Acquisitions Completed During the Issuer's Three Most Recently Completed Financial Years and Current Financial Year

Should an issuer include the annual financial statements of an acquired business for years that ended subsequent to the date of acquisition but more than 90 days before the date of the prospectus?

Although paragraphs 6.2(1)2 and 6.3(1)3 require financial statements for only the most recently completed interim period of the acquired business that ended before the date of the acquisition, similar wording is not included in paragraphs 6.2(1)1 or 6.3(1)1 with respect to the required annual financial statements. Notwithstanding that the rule does not provide a corresponding exemption for post-acquisition annual financial statements, such information would not normally be necessary. Staff will therefore favourably consider an application for exemptive relief from such provisions. Upon request, staff will also recommend the waiver of any application fee.

Staff intend to recommend that Rule 41-501 be amended to address this issue.

A5. Subsection 6.6(1) of Rule 41-501 – Reporting Periods — Exception to Requirement to Include Financial Statements

Subsection 6.6(1) provides an exemption from the requirement to include financial statements for an acquired business in a prospectus if, among other things, the results of the business for a complete financial year have been reflected in the audited consolidated financial statements of the issuer that are included in the prospectus. Would an exemption be available if the issuer's annual audited financial statements included six months of operating results for the acquired business and the subsequent audited interim financial statements of the issuer included at least six months of operating results of the acquired business?

As this would provide 12 months of audited financial information about the acquired business, staff would view such a request for an exemption favourably. However, the 12 months of audited financial information must be presented in the same manner (in other words, it would not suffice to present six months of audited information relating solely to the acquired business together with six months of consolidated financial information).

A6. Section 6.15 of Rule 41-501 – Exception to Audit Requirement for Financial Statements of a Business Included in a Previous Prospectus without an Audit Opinion

Section 6.15 allows an issuer to omit from its prospectus an auditor's report for the annual financial statements of a business included in a prospectus if the financial statements were previously included in a final prospectus without an auditor's report pursuant to an exemption from Rule 41-501. Should an issuer also include an auditor's report where the annual financial statements were included in a final prospectus without an auditor's report pursuant to an exemption from the statutory requirements granted before Rule 41-501 came into force (i.e. prior to December 31, 2000)?

No. Although the wording of section 6.15 refers to an exemption under Rule 41-501, staff are of the view that an issuer need not include an auditor's report if annual financial statements had previously been included in a prospectus without an auditor's report as a result of an exemption from the statutory requirements granted prior to December 31, 2000.

A7. Section 9.1 of Rule 41-501 – Generally Accepted Accounting Principles

Some of the financial statement requirements contained in the Rule appear to be inconsistent with Canadian GAAP. Should the financial statements in a prospectus be prepared in accordance with Canadian GAAP?

Yes. Section 9.1 provides that the financial statements of a person or company that are included in a prospectus shall (or may, in the case of a foreign issuer) be prepared in accordance with Canadian GAAP. However, there are specific requirements contained in Rule 41-501 that permit the following departures from Canadian GAAP presentation requirements:

(a) omission of a balance sheet of a business acquired during the issuer's three most recently completed financial years when the financial position of the acquired business is included in the balance sheet of the issuer provided in the prospectus;

(b) omission of comparative statements of income, retained earnings and cash flows of the acquired business for an interim period ended on the most recent financial quarter end preceding the date of acquisition, when comparative statements are provided for the "pre-acquisition period" (which is the period from the prior financial year end of the acquired business to the date of acquisition); and

(c) omission of comparative statements of income, retained earnings and cash flows for the three-month period ended on the date of the most recent interim statements included in the prospectus when comparative statements are provided for the year-to-date interim period.

Section 1500.09 of the CICA Handbook states that "when it is meaningful, financial statements should be prepared on a comparative basis showing the figures for the corresponding period". Staff are of the view that financial statements of an acquired business which satisfies the significance tests between 20% and 40%

threshold may be included for only the most recently completed financial year, without comparative figures.

For more information, see "The Auditor's Consent and Comfort in Connection with Securities Offering Documents" AuG-30, para. 10 in the Handbook.

A8. Section 9.4 of Rule 41-501 – Foreign Auditor's Report

Where financial statements included in a prospectus are accompanied by a foreign auditor's report, section 9.4 provides that the report shall be accompanied by a statement from the auditor disclosing any material differences in the form and content of the report and confirming that the auditing standards applied are substantially equivalent to Canadian GAAS. How should this statement be presented in the prospectus?

Staff expect the required statement to be presented either directly beneath the auditor's report (i.e. on the same page) or, where foreign auditing standards would prohibit such presentation, on a page immediately following the auditor's report.

A9. Paragraph 13.2(2)7 of Rule 41-501 – Comfort Letter Regarding Foreign Auditor's Report

If a Canadian auditor issues an opinion on financial statements prepared in accordance with foreign GAAP, or has conducted an audit in accordance with foreign GAAS (other than U.S. GAAS), is the Canadian auditor required to deliver to securities regulators a comfort letter prepared in accordance with paragraph 13.2(2)7 of Rule 41-501?

No. A Canadian auditor is not required to provide such a comfort letter as paragraph 13.2(2)7 expressly applies only to foreign auditors. However, staff encourages auditors in this situation to provide such a letter to securities regulators to assist us in understanding the Canadian auditor's expertise to opine on financial statements prepared and audited in accordance with foreign accounting principles and auditing standards.

Auditors are reminded that Section 5610 of the CICA Handbook requires them to accept an engagement under that Section only after determining that they have or will be able to obtain adequate knowledge of the generally accepted accounting principles and generally accepted auditing standards selected.

A10. Part 15 of Rule 41-501 – Exemptions

How should an issuer apply for an exemption from Rule 41-501? Must a formal application be made?

No. Part 15 of Rule 41-501 sets out the process for applying for an exemption from the Rule. Issuers need not file a formal application, but should include a request for relief in a letter which accompanies the preliminary filing materials. The letter should specify the portions of the Rule from which the issuer is seeking an exemption and provide submissions that justify the granting of the exemption. Where the securities regulatory authority or regulator consents to the request, the exemption will be evidenced by the issuance of a receipt for the final prospectus or an amendment to the prospectus, as the case may be.

If the request for an exemption is made after the preliminary materials have been filed, the letter may still be filed on SEDAR but must be acknowledged, in writing, by the securities regulatory authority or regulator before the receipt for the prospectus or amendment to the prospectus will evidence the granting of the relief.

In some jurisdictions, applications must be accompanied by an appropriate fee. Issuers should consult the applicable legislation to determine whether a fee is payable.

A11. Item 6.4(5) of Form 41-501F1 (Prospectus) – Reserve Estimates

Item 6.4.5 states that estimated reserve volumes and discounted cash flow from such reserves should be provided "as at the most recent financial year end". This suggests that an issuer with a calendar year end filing a prospectus on January 20, 20X1 should include the reserve information for the year ended December 31, 20X0. Is this correct?

Yes. However, staff recognize that this may cause hardship to oil and gas resource issuers at certain times of the year. Upon application, staff will consider accepting reserve report information that is dated no earlier than the most recent annual financial statements of the issuer provided in the prospectus, and will also recommend the waiver of any application fee.

Staff intend to recommend that Rule 41-501 be amended to address this issue.

A12. Item 8.2(1) of Form 41-501F1 (Prospectus) – Quarterly Information

Item 8.2(1) requires information for "each of the eight most recently completed quarters ending at the end of the most recently completed financial year...". Is an issuer with a calendar year end that files a prospectus on January 20, 20X1 required to include information for the eight quarters ended December 31, 20X0 notwithstanding that the most recent financial statements otherwise required to be included in the prospectus are for the period ended September 30, 20X0?

Yes. However, staff believe that it is sufficient for issuers to include quarterly information up to the date of the most recent annual or interim financial statements included in the prospectus. Staff will therefore look favourably upon an application for exemptive relief in

such circumstances and will also recommend the waiver of any application fee.

Staff intend to recommend that Rule 41-501 be amended to address this issue.

A13. Item 8.4 of Form 41-501F1 (Prospectus) – Foreign GAAP

Item 8.4 states that an issuer may present the selected consolidated financial information required by Item 8 on the basis of foreign GAAP if, among other things, the issuer's primary financial statements have been prepared in accordance with foreign GAAP. May an issuer that is incorporated in Canada designate its financial statements prepared in accordance with foreign GAAP as its "primary financial statements"?

No. Subsection 9.1(1) of Rule 41-501 requires the financial statements of a person or company incorporated or organized in a jurisdiction that are included in a prospectus to be prepared in accordance with Canadian GAAP. A "jurisdiction" is defined in National Instrument 14-101 Definitions as meaning a province or territory of Canada except when used in the term foreign jurisdiction. Accordingly, a company incorporated in Canada is required to prepare its "primary financial statements" for the purposes of Rule 41-501 in accordance with Canadian GAAP.

A foreign issuer, however, has two options. Subsection 9.1(2) of Rule 41-501 permits the financial statements of a person or company incorporated in a foreign jurisdiction that are included in a prospectus to be prepared in accordance with Canadian GAAP or foreign GAAP, subject to certain conditions. A "foreign jurisdiction" is defined as a country other than Canada or a political subdivision of a country other than Canada.

A14. Item 9 of Form 41-501F1 (Prospectus) – Earnings Coverage Ratios

Instructions (2)(e)(ii), (2)(e)(iii) and (3) regarding the calculation of the earnings coverage ratios appear to be contradictory. In particular, with respect to distributions of preferred shares, Instruction (2)(e)(ii) requires use of the prior deduction method but (2)(e)(iii) says that the combined method, and not the prior deduction method, should be used to calculate earnings coverage. Instruction (3) describes the problems with the prior deduction method although (2)(e)(ii) suggests it should be used. What is correct?

The method described in (2)(e)(ii) is incorrectly referred to as the "prior deduction method" but is actually a description of the "combined method". Although it is mentioned by name, there is no technical description of the prior deduction method in the prospectus rules given that its use is prohibited.

Staff intend to recommend that Rule 41-501 be amended to address this issue.

B. National Instrument 44-101 Short Form Prospectus Distributions

B1. Section 1.1 of NI 44-101 – Definition of 'Current AIF'

The definition of "current AIF" provides that an issuer which filed an AIF within 140 days of the end of fiscal 20X0 has 140 days following the end of fiscal 20X1 to file a renewal AIF. What are the consequences of filing a "renewal AIF" late (i.e., more than 140 days after the most recent year end)?

An AIF that is filed more than 140 days after an issuer's most recently completed financial year will not meet the definition of a renewal AIF under section 1.1 of NI 44-101, as the renewal must be filed while the "old" AIF is still current (i.e. up to 140 days following the financial year in which the "old" AIF was filed). By definition, therefore, an AIF filed after the 140 day period has expired is an initial AIF. This procedures differs from that under National Policy 47, as the "late renewal AIF" will now be subject to the initial AIF review procedures and must be accepted by the appropriate securities regulatory authority in accordance with the procedures described in Part 3 of the Companion Policy to NI 44-101 before an issuer files a preliminary short form prospectus.

B2. Subsection 1.2(2) of NI 44-101 – Significant Acquisitions

If an issuer (Company A) has acquired Company B, which in turn had recently acquired Company C, how should Company A apply the significance tests to the acquisition of Company C?

Please refer to A1, above, where an answer is provided for a corresponding question regarding Rule 41-501.

B3. Paragraph 1.2(3)3 of NI 44-101 – Optional Significance Tests Subsequent to the Date of Acquisition – Calculating the Income Test

The optional income test set out in paragraph 3 of subsection 1.2(3) of NI 44-101appears to preclude the use of interim or annual financial statements for a period which ended less than 60 or 90 days, respectively, from the date of the short form prospectus. Is this interpretation correct?

No. Please refer to A2, above, where an answer is provided for a corresponding question regarding Rule 41-501.

B4. Subsections 3.1(2) and 3.2(7) of NI 44-101; Item 1.3 of Form 44-101F1 – Revisions to an Initial or Renewal AIF

Part 3 of NI 44-101 requires an issuer that revises an initial or renewal AIF to promptly file the revised AIF in all jurisdictions in which the initial or renewal AIF was originally filed, together with a blacklined copy to show what changes were made. An issuer must also send a copy of the revised AIF to each person or company who received the original AIF. Do these requirements apply to any significant change, correction or revision made to an AIF, or only those resulting from comments of the appropriate securities regulatory authority or regulator?

Any significant change, correction or revision to an issuer's AIF should result in the document being re-filed in each applicable jurisdiction and redistributed to each person or company that was sent the original AIF. For additional clarity, staff would prefer that the revised AIF be identified as such (e.g. as "1st Revised AIF", "2nd Revised AIF", etc.) and dated accordingly.

B5. Paragraphs 4.2(1)1 and 4.3(1)1 and 2 of NI 44-101 – Financial Statement Disclosure for a Significant Acquisition During the Issuer's Three Most Recently Completed Financial Years or its Current Financial Year

Should an issuer include annual financial statements of an acquired business for years that ended subsequent to the date of acquisition but more than 90 days before the date of the prospectus?

Please refer to A4, above, where an answer is provided for a corresponding question regarding Rule 41-501.

B6. Subsection 4.6(1) of NI 44-101 – Reporting Periods – Exception to Requirement to Include Financial Statements

Subsection 4.6(1) provides an exemption from the requirement to include financial statements for an acquired business in a short form prospectus if, among other things, the results of the business for a complete financial year have been reflected in the audited consolidated financial statements of the issuer included in the short form prospectus. Would an exemption be available if the issuer's annual financial statements included six months of operating results for the acquired business and subsequent audited interim financial statements of the issuer included at least six months of operating results of the acquired business?

Please refer to A5, above, where an answer is provided for a corresponding question regarding Rule 41-501.

B7. Section 4.15 of NI 44-101 – Exception to Audit Requirement for Financial Statements of a Business Included in a Previous Prospectus without an Audit Opinion

Section 4.15 permits an issuer to omit from its prospectus an auditor's report for the annual financial statements of a business included in a prospectus if the financial statements were previously included in a final prospectus without an auditor's report pursuant to an exemption from NI 44-101. Should an issuer also include an auditor's report where the annual financial statements were included in a final prospectus without an auditor's report pursuant to an exemption from the statutory requirements granted before NI 44-101 came into force (i.e. prior to December 31, 2000)?

No. Please refer to A6, above, where an answer is provided for a corresponding question regarding Rule 41-501.

B8. Section 7.1 of NI 44-101 – Generally Accepted Accounting Principles

Some of the financial statement requirements contained in the National Instrument appear to be inconsistent with Canadian GAAP. Does Canadian GAAP still apply to financial statements contained in short form prospectus?

Yes. Please refer to A7, above, where an answer is provided for a corresponding question regarding Rule 41-501.

B9. Section 7.5 of NI 44-101 – Foreign Auditor's Report

Where financial statements included in a prospectus are accompanied by a foreign auditor's report, section 7.5 provides that the report shall be accompanied by a statement by the auditor disclosing any material differences in the form and content of the report and confirming that the auditing standards applied are substantially equivalent to Canadian GAAS. How should this statement be presented in the prospectus?

Please refer to A8, above, where an answer is provided for a corresponding question regarding Rule 41-501.

B10. Paragraph 10.2(b)7 of NI 44-101 – Comfort Letter Regarding Foreign Auditor's Reports

If a Canadian auditor issues an opinion on financial statements prepared in accordance with foreign GAAP or has conducted an audit in accordance with foreign GAAS (other than U.S. GAAS), is the Canadian auditor required to deliver to securities regulators a comfort letter prepared in accordance with section 10.2(b)7 of NI 44-101?

No. Please refer to A9, above, where an answer is provided for a corresponding question regarding Rule 41-501.

B11. Paragraph 10.3(a)7 and Section 10.7 of NI 44-101 – Material Contracts

Section 10.7 instructs an issuer to make available all material contracts referred to in a short form prospectus for inspection at a reasonable time and place during the distribution of securities under the prospectus. Paragraph 10.3(a)7 requires an issuer to file copies of all material contracts to which the issuer is a party that have not been previously filed. Are these requirements any different from those that apply to long form prospectuses?

No. As in the case of a long form prospectus, staff expect an issuer to file those material contracts, other than contracts entered into in the ordinary course of business, that have been entered into within two years before the date of the preliminary short form prospectus by the issuer or a subsidiary of the issuer.

B12. Part 15 of NI 44-101 – Exemptions

How do you apply for exemptions from NI 44-101? Do I need to make a formal application?

No. Please refer to A10, above, where an answer is provided for a corresponding question regarding Rule 41-501.

B13. Item 4.4(5) of Form 44-101F1 (AIF) – Reserve Estimates

Item 4.4(5) states that estimated reserve volumes and discounted cash flow from such reserves should be provided "as at the most recent financial year end". This suggests that an issuer with a calendar year end filing a prospectus on January 20, 20X1 should include the reserve information for the year ended December 31, 20X0. Is this correct?

Yes. However, please refer to A11, above, where an answer is provided for a corresponding question regarding Rule 41-501.

An issuer considering the application of Item 4.4(5) should also consult Alberta Securities Commission Staff Notice 44-701 Oil and Gas Reserves Disclosure in NI 44-101 AIFs.

B14. Item 5 of Form 44-101F1 (AIF) – Reverse Take-Overs

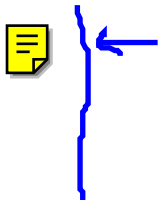
If an issuer has been involved in a business combination which is accounted for as a reverse take-over in accordance with Item 12.7 of Form 44-101F3, which entity's financial information should be included in the AIF? What if the reverse take-over occurred during the issuer's most recently completed financial year to which the AIF relates or subsequent to that year end but prior to the date of the AIF?

When an acquisition is accounted for as a reverse take-over, the business acquired by the issuer is the legal subsidiary which, for accounting purposes, is the continuing entity.

Accordingly, the financial information required by certain sections of Form 44-101F1, including Items 5 and 6, should generally be based on the legal subsidiary's financial statements for the year. If the reverse takeover occurred subsequent to the issuer's most recently completed financial year but before the AIF is filed, the financial information disclosed in the AIF should be of the legal parent; however, separate information about the legal subsidiary will likely be necessary in order to provide full, plain and true disclosure.

B15. Item 5.3 of Form 44-101F1 (AIF) – Foreign GAAP

Item 5.3 states that an issuer may present the selected consolidated financial information required by Item 5 on the basis of foreign GAAP if, among other things, the



issuer's primary financial statements have been prepared in accordance with foreign GAAP. May an issuer that is incorporated in Canada designate its financial statements prepared in accordance with foreign GAAP as its primary financial statements?

No. Please refer to A13, above, where an answer is provided for a corresponding question regarding Rule 41-501.

B16. Item 2(1) of Form 44-101F2 (MD&A) – Quarterly Information

Item 2(1) requires management's discussion and analysis to disclose, for each of the eight most recently completed quarters ending at the most recently completed financial year, the selected information required in paragraphs 1, 2 and 3 of Item 5.1 of Form 44-101F1. Former National Policy 47 required similar disclosure in the AIF. As the disclosure requirement has been moved to the MD&A Form 44-101F2, are issuers now expected to discuss quarterly results in their annual MD&A?

No. As certain jurisdictions may require quarterly MD&A to be filed concurrently with interim financial statements on a continuous basis, such disclosure would likely be duplicative if provided in an AIF. However, Item 1(2) of Form 44-101F2 specifically requires a quantification and discussion of any items or events that materially affected the issuer's financial results for its most recently completed year because there is no requirement to file fourth quarter financial results or to specifically discuss that period. If the quarterly information reveals a significant trend in one of more of the items presented, the issuer may choose to discuss that trend.

B17. Item 4.2 of Form 44-101F3 (Prospectus)– Financial Information of the Issuer Released

Item 4.2 states that if, before the short form prospectus is filed, financial information about an issuer for a period for which financial statements are required to be filed is publicly disseminated by or on behalf of the issuer through a news releases or otherwise, a short form prospectus must include the content of such news release or public communication. Does the "period" extend to cover all the financial statements required to be incorporated in the prospectus?

No. Staff would consider Item 4.2 to have been complied with where the prospectus includes disclosure of those press releases and other communications that have been made subsequent to the filing of its most recent annual or interim financial statements.

B18. Item 7 of Form NI 44-101F3 (Prospectus) – Earnings Coverage Ratios

Instructions (2)(e)(ii), (2)(e)(iii) and (3) regarding the calculation of the earnings coverage ratios appear to be contradictory. In particular, with respect to distributions of preferred shares, Instruction (2)(e)(ii) requires use of the prior deduction method but (2)(e)(iii) says that the combined method, and not the prior deduction method, should be used to calculate earnings coverage. Instruction (3) describes the problems with the prior deduction method although (2)(e)(ii) suggests it should be used. What is correct?

Please refer to A14, above, where an answer is provided for a corresponding question regarding Rule 41-501.

B19. Item 12.1(1)3 of Form NI 44-101F3 (Prospectus) – Mandatory Incorporation by Reference of Interim Financial Statements of the Issuer

Item 12.1(1)3 requires an issuer to incorporate by reference its comparative interim financial statements for its most recently completed financial period (e.g. September, 20X0), even if the comparative audited financial statements for the year ending December 31, 20X0 are incorporated by reference into the prospectus under Item 12.1(1)4. Is this correct?

Although item 12.1(1)3 requires the third quarter interim financial statements to be incorporated by reference into a short form prospectus, staff believe that such duplication of information would not be helpful. Accordingly, in such circumstances, staff will look favourably upon an application for exemptive relief from this provision. Upon request, staff will also recommend the waiver of any application fee.

Staff intend to recommend that NI 44-101 be amended in the future to address this issue.

Item 12.1(1)3 also requires issuers to incorporate the comparative interim financial statements for the issuer's most recently completed period for which the issuer files interim financial statements. Previously, comparative financial statements for each interim period were required. Is this an error in Item 12.1(1)3?

No. In order to eliminate a filing discrepancy between long form and short form issuers, NI 44-101 now requires comparative financial statements for the most recently completed interim period. Instruction (1) to Item 12.1 clarifies that comparative interim financial statements are required for only the most recent 3, 6 or 9 month period. The issuer may choose to incorporate additional interim financial statements provided that the additional statements are accompanied by an auditor's comfort letter.

B20. Item 13.1(1)2 of Form NI 44-101F3 (Prospectus) – Issues of Guaranteed Securities – Issuer Disclosure

Item 13.1(1)2 provides that if an issuer is a wholly owned subsidiary of a credit supporter but has more than minimal operations that are independent of the credit supporter, summary financial information relating to the issuer's operations should be disclosed in a note to the most recently audited financial statements of the credit supporter included in the short form prospectus.

What type of information should be included in the summary?

Issuers should refer to Item 5.2 of Rule 41-501 for guidance with respect to the items which should be included in the summary financial information, which represents the minimum amount of information that should be disclosed.

Staff recognize that it may be difficult for some credit supporters to include such a note in their financial statements if such statements have already been filed. In those circumstances, staff will be willing to accept the provision of summary financial information presented, including the audit report thereon, in the prospectus or incorporated by reference into the prospectus. If the summary of financial information is not included in a note to the audited financial statements, it is required to be audited nonetheless. Accordingly, the requirement will not be satisfied by including it in its pro forma financial statements or unaudited financial statements.

C. National Instrument 44-102 Shelf Distributions

C1. Section 3.2 of NI 44-102 and Section 2.3 of Companion Policy to 44-102 – Distributions of Equity Securities Under Unallocated Shelf

Section 3.2 of NI 44-102 requires that an issuer or selling security holder that forms a "reasonable expectation" that a distribution of equity securities will proceed under a base shelf prospectus that is not restricted to equity securities shall immediately issue a news release that announces the intention to proceed with the distribution. Section 2.3 of the Companion Policy to 44-102 states that an issuer or selling security holder will generally only have formed such a reasonable expectation upon having discussions with an underwriter concerning the distribution "of some specificity and certainty". Can you provide further guidance regarding the timing of the press release for a bought deal and for a marketed deal?

For a bought deal of equity securities from an unallocated shelf, a news release should be issued upon the signing of the underwriting agreement (which signing is not unduly delayed). For a marketed offering of equity securities, a news release should be issued just prior to the commencement of marketing. If a preliminary prospectus supplement is to be used, the press release should be issued prior to using this document.

Does the press release requirement in section 3.2 of NI 44-102 apply to preferred shares, e.g. does the definition of "equity securities" in 44-102 include preferred shares?

NI 44-102 does not define "equity securities". However, subsection 1.1(2) states that all terms defined in NI 44-101 and not defined in NI 44-102 have the meanings ascribed to them in NI 44-101. According to NI 44-101, "equity securities" means securities of the issuer that carry a residual right to participate in the earnings of the issuer and upon the liquidation or winding up of the issuer, in its assets.

The answer to the question of whether a preferred share is an equity security is fact specific. Some preferred shares are equity securities (e.g. if they have an additional participation in earnings and assets) and others are more like debt securities. An issuer and its counsel should consider the characteristics of the preferred shares being offered and determine whether they fall within the definition of equity securities.

C2. Section 7.1 of NI 44-102 – Shelf Supporting Documents – General

Section 7.1 states that the provisions of NI 44-101 which require the filing of supporting documents with a preliminary short form prospectus, a short form prospectus or a prospectus amendment do not apply to a filing of a preliminary base shelf prospectus, a base shelf prospectus or an amendment to a preliminary base shelf prospectus or a base shelf prospectus, except as varied by Part 7 of NI 44-102. Is this a typographical error?

Yes. Section 7.1 should say that the provisions of NI 44-101 do apply, unless otherwise varied by Part 7 of NI 44-102. Part 7 merely modifies the supporting document provisions of NI 44-101 to make it applicable to the shelf prospectus regime.

Staff intend to recommend that NI 44-102 be amended to address this issue in the future.

C3. Section 7.3 of NI 44-102 – Auditors' Comfort Letters

Section 7.3 requires an auditor's comfort letter to be filed concurrently with all unaudited financial statements incorporated into a base shelf prospectus that are filed after the base shelf prospectus is filed. However, it does not address unaudited financial statements filed before the base shelf prospectus is filed which are incorporated by reference into the base shelf prospectus. Is it the case that no comfort letter is required until the supplement is filed regardless of whether the comfort letter relates to unaudited financial statements filed before or after the date of filing base shelf prospectus?

No. Section 7.1 provides that an issuer filing a preliminary base shelf prospectus, a base shelf prospectus, or an amendment to a preliminary base shelf prospectus or to a base shelf prospectus should comply with the filing provisions set out in NI 44-101 except as varied by Part 7. Accordingly, if an unaudited financial statement is incorporated by reference into the base shelf prospectus, an auditor's comfort letter should be filed at the time the base shelf prospectus is filed. Comfort letters for unaudited financial statements filed after the base shelf prospectus is filed should be filed when the unaudited financial statements are filed, if the distribution is an MTN program or some other continuous distribution, and at the very latest, when the next supplement is filed.

March 15, 2002.

1.2 Notices of Hearing

1.2.1 Alexander Dolgonos et al. Hearing and Statement of Allegations - s.127(1)

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

AND

IN THE MATTER OF
ALEXANDER DOLGONOS, THE ALEXANDER DOLGONOS SPOUSAL TRUST, TINA LIVCHITS, THE TINA LIVCHITS SPOUSAL TRUST, AYZIK DOLGONOS, THE AYZIK DOLGONOS SPOUSAL TRUST, KALINA DOLGONOS, THE KALINA DOLGONOS SPOUSAL TRUST, STEPHEN ROSEN, ALTHEA STEWART, THE ALTHEA STEWART SPOUSAL TRUST, ARON DAVID TRUSS, T.A. HOLDINGS INC., GERALD MCGOEY AND THE JOLIAN TRUST

NOTICE OF HEARING
Section 127(1), Securities Act

WHEREAS on the 11th day of March, 2002, the Ontario Securities Commission ordered, pursuant to clause 2 of section 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, that trading in any securities of Unique Broadband Systems, Inc. by Alexander Dolgonos, the Alexander Dolgonos Spousal Trust, Tina Livchits, the Tina Livchits Spousal Trust, Ayzik Dolgonos, the Ayzik Dolgonos Spousal Trust, Kalina Dolgonos, the Kalina Dolgonos Spousal Trust, Stephen Rosen, Althea Stewart, the Althea Stewart Spousal Trust, Aron David Truss, T.A. Holdings Inc., Gerald McGoey and the Jolian Trust cease;

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

TAKE NOTICE that the Commission will hold a hearing pursuant to section 127 of the Act at the offices of the Commission, Main Hearing Room, 17th Floor, 20 Queen Street West, Toronto, on March 25, 2002 at 10:00 a.m. or as soon thereafter as the hearing can be held;

TO CONSIDER whether, pursuant to sections 127 and 127.1 of the Act, it is in the public interest for the Commission:

(a) to extend the Cease Trade Order until the conclusion of the hearing in respect of the matters listed at (b) to (h) herein;

(b) to make an order that the respondents cease trading in securities, permanently or for such time as the Commission may direct;

(c) to make an order that any exemptions contained in Ontario securities law do not apply to the respondents or any of them permanently, or for such period as specified by the Commission;

(d) to make an order that the respondents or any of them resign one or more positions which they may hold as a director or officer of an issuer;

(e) to make an order that the respondents or any of them be prohibited from becoming or acting as director or officer of any issuer;

(f) to make an order that the respondents be reprimanded;

(g) to make an order that the respondents pay the costs of Staff's investigation and the costs of or related to this proceeding, incurred by or on behalf of the Commission; and

(h) to make such other order as the Commission may deem appropriate.

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

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

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

March 11, 2002.

"John Stevenson"

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

AND

IN THE MATTER OF
ALEXANDER DOLGONOS, THE ALEXANDER DOLGONOS SPOUSAL TRUST, TINA LIVCHITS, THE TINA LIVCHITS SPOUSAL TRUST, AYZIK DOLGONOS, THE AYZIK DOLGONOS SPOUSAL TRUST, KALINA DOLGONOS, THE KALINA DOLGONOS SPOUSAL TRUST, STEPHEN ROSEN, ALTHEA STEWART, THE ALTHEA STEWART SPOUSAL TRUST, ARON DAVID TRUSS, T.A. HOLDINGS INC., GERALD McGOEY AND THE JOLIAN TRUST

STATEMENT OF ALLEGATIONS
of Staff of the Ontario Securities Commission

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

The Respondents

1. Unique Broadband Systems, Inc. ("UBS") is a reporting issuer in Ontario. Its shares are listed and posted for trading on CDNX.

2. Staff are conducting an investigation into the affairs of UBS, including transactions involving the persons and companies described in paragraphs 3 to 17 (collectively, the "Dolgonos Group").

3. Alexander Dolgonos is the founder of UBS, and was, until July, 2001, the President, Chief Executive Officer and Chairman of the Board of UBS. Alexander Dolgonos is a director of UBS.

4. The Alexander Dolgonos Spousal Trust is a Barbados trust which holds UBS shares. Staff's investigation has not revealed the beneficial owner of the Alexander Dolgonos Spousal Trust.

5. Tina Livchits is Alexander Dolgonos' spouse and a former employee of UBS. Tina Livchits is the sole beneficiary of the Tina Livchits Spousal Trust.

6. The Tina Livchits Spousal Trust is a Barbados trust settled by Alexander Dolgonos; Tina Livchits is the sole beneficiary.

7. Ayzik Dolgonos is Alexander Dolgonos' father and a former employee of UBS.

8. The Ayzik Dolgonos Spousal Trust has or had three trading accounts in which it holds UBS shares. Staff's investigation has not revealed the beneficial owner of the Ayzik Dolgonos Spousal Trust.

9. Kalina Dolgonos is Alexander Dolgonos' mother, Ayzik Dolgonos' spouse and a former employee of UBS. Kalina Dolgonos is the sole beneficiary of the Kalina Dolgonos Spousal Trust.

10. The Kalina Dolgonos Spousal Trust is a Barbados trust settled by Ayzik Dolgonos; Kalina Dolgonos is the sole beneficiary.

11. Stephen Rosen was, until July, 2001, the Vice-President, Chief Financial Officer and a director of UBS.

12. Althea Stewart is Stephen Rosen's spouse and the sole beneficiary of the Althea Stewart Spousal Trust.

13. The Althea Stewart Spousal Trust is a Barbados trust settled by Stephen Rosen; Althea Stewart is the sole beneficiary.

14. Aron David Truss is a resident of Barbados and the Trustee of each of the Tina Livchits Spousal Trust, the Kalina Dolgonos Spousal Trust and the Althea Stewart Spousal Trust. Aron David Truss is a director of T.A. Holdings Inc.

15. T.A. Holdings Inc. is a Barbados company which was incorporated on December 5, 2001. Aron David Truss is the sole director of T.A. Holdings Inc.

16. Gerald McGoey is the President of Jolian Investments Limited and a trustee of the Jolian Trust

17. The beneficiaries of the Jolian Trust are the children of Gerald McGoey.

Failure to Make Disclosure

18. Each of the members of the Dolgonos Group have had, or continue to have, direct ownership and/or control or direction over significant blocks of UBS shares.

19. Alexander Dolgonos, Tina Livchits, the Tina Livchits Spousal Trust, Stephen Rosen, Aron David Truss and T.A. Holdings Inc., failed to file insider reports in a timely fashion, and/or filed misleading and untrue insider reports, contrary to section 107 of the *Securities Act,* R.S.O. 1990, c. S.5 (the "Act").

20. Alexander Dolgonos, the Tina Livchits Spousal Trust, and Aron David Truss failed to issue and file early warning news releases containing the information prescribed by regulations, and failed to file early warning reports within two business days or at all, contrary to section 101 of the Act.

21. In addition to failing to file early warning reports within the time required, and failing to issue and file early warning news releases at all, in contravention of section 101 of the Act, T.A. Holdings Inc. acquired shares in UBS in contravention of subsection 101(3) of the Act.

22. A preliminary prospectus dated May 5, 2000 and a prospectus dated June 13, 2000, both signed by Alexander Dolgonos and Stephen Rosen, failed to provide full, true and plain disclosure of the nature of their holdings of UBS shares, contrary to section 56 of the Act.

23. On November 19, 1999, cease trade orders were issued in respect of UBS shares by the British Columbia Securities Commission against Alexander Dolgonos and Stephen Rosen for failure to file insider reports. The cease trade orders were revoked on November 24, 1999.

Conduct Contrary to the Public Interest

24. In failing to fulfil their disclosure obligations under sections 56, 101 and 107 of the Act, as set out at paragraphs 19 to 22, members of the Dolgonos Group failed to ensure that the market was and is apprised of accumulations and transfers of significant blocks of UBS shares, and have acted contrary to the public interest.

25. The members of the Dolgonos Group, including those not specifically named in paragraphs 19 to 24, have authorized, participated, permitted or acquiesced in the conduct described above.

26. The members of the Dolgonos Group have breached Ontario securities law and have acted contrary to the public interest.

27. Particularly in light of the late, misleading and untrue disclosure described above, further investigation is required to determine the nature of the accumulations and transfers, and to ascertain whether the members of the Dolgonos Group have engaged in further conduct which may cause continuing harm to investors, breach Ontario securities law and be contrary to the public interest.

28. Such further and other allegations as Staff may make and the Commission may permit.

March 11, 2002.

1.3 Press Releases

1.3.1 OSC Proceeding in the Matter of Ronald L. Etherington and Create-a-fund Incorporated is Adjourned.

FOR IMMEDIATE RELEASE
March 7, 2002

OSC PROCEEDINGS IN THE MATTER OF RONALD L. ETHERINGTON AND CREATE-A-FUND INCORPORATED IS ADJOURNED.

TORONTO – The hearing before the Ontario Securities Commission in the matter of Ronald L. Etherington and Create-a-fund Incorporated, scheduled for Friday, March 8, 2002 at 11:00 AM is adjourned sine die, returnable with seven (7) days notice. The Temporary Order, issued against the Ronald L. Etherington and Create-a-fund Incorporated on February 26, 2002, has been extended until this hearing has been concluded.

Copies of the Notices of Hearing, Statements of Allegations and Temporary Orders are available on the Commission's website, **www.osc.gov.on.ca**.

For Media Inquiries:

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1.3.2 OSC Chair David Brown to Address Conference Board's 2002 Business Outlook Briefings

FOR IMMEDIATE RELEASE
March 6, 2002

OSC CHAIR DAVID BROWN TO ADDRESS CONFERENCE BOARD'S 2002 BUSINESS OUTLOOK BRIEFINGS

Toronto – The Conference Board of Canada, one of the country's pre-eminent independent applied research institutes, will be hosting tomorrow Mr. David Brown, Chair of the Ontario Securities Commission.

Mr. Brown's address, "Preventing Enron North: Improving Financial Reporting and Corporate Governance in Canada", will discuss the lessons learned from Enron's failure for Canada's capital markets.

The speaking engagement is scheduled on Thursday, March 7th, 2002 between 11:30 AM and 1:30 PM. The Conference Board's 2002 Business Outlook Briefings will take place at the Toronto Marriott Eaton Centre Hotel (525 Bay Street).

For more information on the Conference Board's 2002 Business Outlook Briefings please visit the Board's Website at **www.conferenceboard.ca**.

Source:

Frank Switzer
Director of Communications
Ontario Securities Commission
(416) 593-8120

1.3.3 OSC Issues Temporary Cease Trade Order Against Alexander Dolgonos et al.

FOR IMMEDIATE RELEASE
March 12, 2002

OSC ISSUES TEMPORARY CEASE TRADE ORDER AGAINST ALEXANDER DOLGONOS ET AL

Toronto - The Ontario Securities Commission (the "Commission") yesterday issued a Temporary Cease Trade Order prohibiting trading in any securities of Unique Broadband Systems, Inc. ("UBS") by Alexander Dolgonos, the Alexander Dolgonos Spousal Trust, Tina Livchits, the Tina Livchits Spousal Trust, Ayzik Dolgonos, the Ayzik Dolgonos Spousal Trust, Kalina Dolgonos, the Kalina Dolgonos Spousal Trust, Stephen Rosen, Althea Stewart, the Althea Stewart Spousal Trust, Aron David Truss, T.A. Holdings Inc., Gerald McGoey and the Jolian Trust (collectively the "Dolgonos Group").

The Temporary Cease Trade Order states, among other things, that while insiders of UBS, Alexander Dolgonos, Tina Livchits, the Tina Livchits Spousal Trust, Stephen Rosen, Aron David Truss and T.A. Holdings Inc., failed to file insider reports in a timely fashion, and/or filed misleading and untrue insider reports, contrary to section 107 of the *Securities Act,* R.S.O. 1990, c. S.5 (the "Act").

The Temporary Cease Trade Order also states that Alexander Dolgonos, the Tina Livchits Spousal Trust, Aron David Truss and T.A. Holdings Inc. failed to comply with early warning requirements, as set out at section 101 of the Act. Further, the Temporary Cease Trade Order states that in a preliminary prospectus dated May 5, 2000 and a prospectus dated June 13, 2000, Alexander Dolgonos and Stephen Rosen failed to make full, true and plain disclosure of the nature of their holdings in UBS, contrary to section 56 of the Act.

The Temporary Cease Trade Order states that in failing to fulfil their disclosure obligations, members of the Dolgonos Group failed to ensure that the market was and is apprised of accumulations and transfers of significant blocks of UBS shares, and have acted contrary to the public interest.

The Temporary Cease Trade Order provides that particularly in light of the late, misleading and untrue disclosure described above, further investigation is required to determine the nature of the accumulations and transfers, and to ascertain whether the members of the Dolgonos Group have engaged in further conduct which may cause continuing harm to investors, breach Ontario securities law and be contrary to the public interest.

Copies of the Temporary Cease Trade Order, Notice of Hearing and Statement of Allegations are available at the Commission's website at **www.osc.gov.on.ca** or from the Commission, 19th floor, 20 Queen Street West, Toronto, Ontario, M5H 3S8.

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1.3.4 OSC Study Identifies Deficiencies in Quarterly Reporting

FOR IMMEDIATE RELEASE
March 13, 2002

OSC STUDY IDENTIFIES DEFICIENCIES IN QUARTERLY REPORTING

Toronto - A recently concluded review by OSC staff of interim (quarterly) reporting by public companies found many instances of non-compliance with basic requirements.

OSC staff reviewed the interim reports of 150 randomly selected issuers for the first quarter of fiscal 2001. Based on the review, staff raised concerns with 77 of these issuers, with the following results:

- 17 companies re-filed their interim financial statements due to non-compliance. Some of these issuers had failed to include such basic components as an interim balance sheet or notes to the interim financial statements.

- Another 40 companies committed to improve disclosure in future filings. A common deficiency among this group was insufficient or poor quality information in the interim management's discussion and analysis (MD&A).

This review follows the OSC's recent implementation of rules to improve the historically poor quality of interim financial reporting. These rules require, among other things, that interim statements be reviewed by a company's board of directors or its audit committee before they are issued.

John Hughes, Manager of Continuous Disclosure at the OSC, called the results of the review "a concern." He said: "The results suggest a failure by management to maintain a current knowledge of requirements. They also raise questions about how boards of directors and audit committees carry out their responsibility to monitor and challenge management on financial reporting matters." Hughes also noted though that awareness of the requirements appears to be increasing.

The complete results of the review are contained in OSC Staff Notice 52-713, available on the OSC's website at **www.osc.gov.on.ca**.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Phillips, Hager & North Investment Management Ltd. - s. 5.1

Headnote

Section 5.1 of Rule 31-506 SRO Membership - Mutual Fund Dealers - mutual fund dealer exempted, subject to conditions, from the requirements of the Rule that it file an application and prescribed fees with the Mutual Fund Dealers Association of Canada ("MFDA") and become a member of the MFDA- mutual fund dealer is reorganizing its activities and has consented to terms and conditions of registration

Statute Cited

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

Rule Cited

Rule 31-506 SRO Membership - Mutual Fund Dealers, ss. 2.1, 3.1, 5.1

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
PHILLIPS, HAGER & NORTH INVESTMENT MANAGEMENT LTD.

DECISION
(Section 5.1 of the Rule)

UPON The Director having received an application (the "Application") from Phillips, Hager & North Investment Management Ltd. (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 of Canada (the "MFDA") on and after July 2, 2002, and file with the MFDA, no later than January 1, 2002, 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 a company incorporated under the laws of British Columbia;

2. the Registrant is registered as an investment counsel, portfolio manager and mutual fund dealer in Ontario;

3. under the Registrant's current business structure, the Registrant is engaged in both portfolio management/investment counselling-related activities and mutual fund dealing-related activities. In particular, under the Registrant's current business structure the Registrant is engaged in the following activities:

   (a) the administration and management of mutual funds and pooled funds established by the Registrant;

   (b) the management of fully-managed client accounts containing individual securities (i.e., segregated accounts);

   (c) the management of fully-managed client accounts containing only mutual fund securities;

   (d) the direct sale of mutual fund securities on an exempt basis (i.e., pooled funds); and

   (e) the direct sale of mutual fund securities which are qualified for sale to the public pursuant to a prospectus filed with applicable securities regulatory authorities (such direct sales-related activities of the Registrant, the "Retail Distribution Business");

4. Phillips, Hager & North Investment Funds Ltd. ("Dealerco") is a corporation incorporated on April 10, 2001 under the laws of British Columbia and is a wholly-owned subsidiary of the Registrant. The Registrant was incorporated for the purposes of carrying on the Retail Distribution Business of the Registrant in compliance with the rules of the MFDA;

5. Dealerco has applied for mutual fund dealer registration in each of the provinces and

territories of Canada and membership in the MFDA;

6. upon Dealerco obtaining registration as mutual fund dealer in each of the jurisdictions, the Registrant will transfer all of the Retail Distribution Business to Dealerco (the "Reorganization");

7. after the completion of the Reorganization, Dealerco will carry on the Retail Distribution Business and the Registrant's business will be restricted to the following:

   (a) the administration and management of mutual funds and pooled funds established by the Registrant;

   (b) the management of fully-managed client accounts containing individual securities (i.e., segregated accounts);

   (c) the management of fully-managed client accounts containing only mutual fund securities; and

   (d) the direct sale of mutual fund securities on an exempt basis (i.e., pooled funds);

8. under Decisions dated June 4, 2001 and October 10, 2001, the Ontario Securities Commission granted the Registrant a temporary exemption from the requirement to apply for MFDA membership in order to permit the Registrant sufficient time to complete the Reorganization. In particular, the Decisions exempted the Registrant from the requirement set out in section 3.1 of the Rule to apply for membership with the MFDA on or prior to May 23, 2001 on the condition that, prior to January 1, 2002, the Registrant will have:

   (a) applied for membership with the MFDA;

   (b) surrendered its registration as a mutual fund dealer; or

   (c) applied for and obtained a permanent exemption from the requirement to become a member of the MFDA;

9. by letter dated December 18, 2001, the Applicant applied for a further temporary exemption from the requirement to apply for MFDA membership due to unforeseen delays in completing the Reorganization;

10. In order to continue to carry on the business described above in paragraph 7 (in particular, the business described in sub-paragraphs (c) and (d) of paragraph 7), the Registrant intends to continue to maintain its registration as a mutual fund dealer in Ontario and comply with applicable securities legislation, other than the Rule;

11. upon completion of the Reorganization, the Registrant's trading activities as a mutual fund dealer will represent and will continue to represent activities that are incidental to its principal business activities as set out above;

12. 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 Schedule "A" to the attached draft Decision, which outlines the activities the Registrant has agreed to adhere to in connection with its application for this Decision;

13. any person or company that:

   (A) is not currently a client of the Registrant on the effective date of this Decision, and

   (B) for whom the Registrant does not intend to conduct Retail Distribution Business,

   will, before he, she or it is accepted as a client of the Registrant, receive prominent written notice from the Registrant substantially as follows:

   The Registrant is not currently a member, and does not intend to become a member of the Mutual Fund Dealers Association. As a result, 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;

14. upon the next general mailing to its account holders and in any event before May 23, 2002, the Registrant will 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 13 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 the Registrant is exempt from the requirements in sections 2.1 and 3.1 of the Rule;

PROVIDED THAT:

(A) the Registrant uses its best efforts to provide at least ten days prior to the Reorganization and, in any case, provides prior to the Reorganization, notice to each client who holds an account (or accounts) for which Retail Distribution Business activities are carried ut, of:

   (i) the fact that the Registrant will no longer be the mutual fund dealer servicing the client's account(s);

(ii) the fact that Dealerco will be the mutual fund dealer servicing the client's account(s); and

(iii) the name and telephone number of a contact person at the Registrant's office who is available to provide further information; and

(B) from and after the Reorganization, and, in any case, beginning no later than July 2, 2002, 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".

December 21, 2001.

"Rebecca Cowdery"

Schedule "A"

TERMS AND CONDITIONS OF REGISTRATION

OF

PHILLIPS, HAGER & NORTH INVESTMENT MANAGEMENT LTD.

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, immediately before the trade, 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 f 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 he Service rovider 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) a trade in securities of a mutual fund 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 that 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 thatacquired 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 Registrantacts 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) "Managed Account" means, for the Registrant, an investment portfolio account of a client under which the Registrant, pursuant to a written agreement made between the Registrant and the client, makes investment decisions for the account and has full discretionary authority to trade in securities for the account without obtaining the client's specific consent to the trade;

(o) "Managed Account Trade" means, for the Registrant, a trade to, or on behalf of a Managed Account of the Registrant, where the trade

consists of a purchase or redemption, through the Registrant of securities of a mutual fund, that is made on behalf of the Managed Account; where, in each case,

(i) the Registrant is the portfolio adviser to the mutual fund;

(ii) the mutual fund is managed by the Registrant or an affiliate of the Registrant; and

(iii) either of:

(A) the mutual fund is prospectus-qualified in Ontario; or

(B) the trade is not subject to sections 25 and 53 of the Act;

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

(q) "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 ServiceProvider 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;

(r) "Permitted Client Trade" means, for the Registrant, 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, in securities of a mutual fund that is managed by the Registrant or an affiliate of the Registrant, and the trade consists of:

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

(ii) a redemption, by the person, through the Registrant, of securities of the mutual fund;

(s) "Pooled Fund Rule" means, for the Registrant, a rule or other regulation that relates, in whole or in part, to the distribution of securities of a mutual fund and/or non-redeemable investment fund, other than pursuant to a prospectus for which a receipt has been obtained from the Director, made by the Registrant on or on behalf of a Managed Account, but does not include Rule 45-501 Exempt Distributions;

(t) "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);

(u) "Registrant" means Phillips, Hager & North Investment Management Ltd.;

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

(w) "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;

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

(y) "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; and

(z) "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 Managed Account Trade;
(f) a Permitted Client Trade; or
(g) a Seed Capital Trade;

provided that, in the case of all trades that are only referred to in clauses (a) or (f), the trades are limited and incidental to the principal business of the Registrant and provided also that paragraph (e) will cease to be in effect one year after the coming into force, subsequent to the date of this Decision, of any Pooled Fund Rule.

2.1.2 Great Lakes Power Inc. - MRRS Decision

Headnote

Section 2.4 of National Instrument 44-101 - relief from the limitation that the eligibility requirements in the relevant provision only apply to non-convertible preferred shares. Relief granted provided that the terms of the order are met. The Company proposed to rely on the provision in connection with a proposed offering of exchangeable preferred shares.

Statutes Cited

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

Rules Cited

National Instrument 44-101 Prompt Offering Qualification System - Short Form Prospectus Distributions 23 O.S.C.B. (Supp) 867.

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

AND

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

AND

IN THE MATTER OF
GREAT LAKES POWER INC.

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, Newfoundland, New Brunswick and Prince Edward Island (the "Jurisdictions") has received an application from Great Lakes Power Inc. (the "Company") for a decision that the Company is able to rely on subsection 2.4 of National Instrument 44-101 (the "Rule") in connection with a proposed offering of exchangeable preferred shares as if subsection 2.4 was not restricted to non-convertible securities;

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 Company has represented to the Decision Makers that:

1. The Company was amalgamated under the laws of the Province of Ontario on March 2, 2001, through the amalgamation (the "Amalgamation") of Great Lakes Power Inc. ("GLPI") and 1458103 Ontario Limited, a wholly-owned subsidiary of Brascan Corporation ("Brascan").

2. The Company is, and GLPI was, engaged in the business of developing and managing electricity generating facilities in Canada and the United States.

3. The Company proposes to make a public offering of Cumulative Redeemable First Preferred Shares (the "Preferred Shares") in each of the Jurisdictions.

4. The Preferred Shares are non-voting and rank senior to the common shares of the Company. Holders of the Preferred Shares will be entitled to receive fixed, cumulative quarterly dividends. The Preferred Shares will be redeemable by the Company at the end of a specified period, currently expected to be five years, at a premium and after six years, at par.

5. The Preferred Shares will have attached to them exchange rights issued by Brascan pursuant to an exchange agreement (the "Exchange Agreement") providing that the Preferred Shares may be exchanged for Class A Limited Voting Shares of Brascan (the "Brascan Shares") at the option of the Company after a specified period, currently expected to be seven years, at an exchange ratio determined by dividing the par value of the Preferred Shares plus all accrued and unpaid dividends by the greater of $2.00 and 95% of the then current market price of the Brascan Shares, determined as provided in the share conditions. The Preferred Shares are also exchangeable at the option of the holders, after a specified period, currently expected to be approximately eight years, based on the same exchange ratio. If a holder elects to exchange any shares, the Company has the right to elect to redeem them instead for cash or arrange for the sale of those shares to substitute purchasers.

6. The Company is a reporting issuer in each of the Jurisdictions and GLPI was a reporting issuer in each of the Jurisdictions for more than 12 calendar months prior to the Amalgamation.

7. The Company has a current AIF which was filed in each of the Jurisdictions on May 22, 2001.

8. GLPI has filed in each of the Jurisdictions audited financial statements for the year ended December 31, 2000.

9. The Preferred Shares will receive an approved rating, as that term is defined in the Rule.

10. Brascan is a reporting issuer in each of the Jurisdictions and is eligible to file a short form prospectus in each of the Jurisdictions pursuant to the requirements of subsection 2.2 of the Rule.

11. The short form prospectus to be filed in connection with the offering of Preferred Shares will incorporate by reference the required continuous disclosure documents of both the Company and Brascan.

12. The Company meets all of the alternative eligibility requirements set forth in subsection 2.4 of the Rule, but is not able to rely on that subsection because that subsection is limited to offerings of "non-convertible securities" as defined in the Rule and the exchange rights attaching to the Preferred Shares would make the Preferred Shares "convertible" as defined in the Rule.

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 in each of the Jurisdictions pursuant to the Legislation is that the Company is able to rely on subsection 2.4 of the Rule in connection with its proposed offering of Preferred Shares exchangeable into Brascan Shares as if subsection 2.4 was not restricted to non-convertible securities provided that:

(i) the Company is a reporting issuer in each of the Jurisdictions and GLPI was a reporting issuer in each of the Jurisdictions for more than 12 calendar months prior to the Amalgamation;

(ii) the Company has a current AIF;

(iii) the Preferred Shares:

(A) have received an approved rating on a provisional basis;

(B) are not the subject of an announcement by an approved rating organization of which the Company is or ought reasonably to be aware that the approved rating given by the organization may be down-graded to a rating category that would not be an approved rating; and

(C) have not received a provisional or final rating lower than an approved rating from any approved rating organization; and

(iv) if the Company is filing a preliminary short form prospectus more than 90 days after the end of its most recently completed financial year, the Company has filed audited financial statements for that year.

"Margo Paul"

November 23, 2001.

2.1.3 iPerformance Fund Corp. - s. 5.1

Headnote

Section 5.1 of Rule 31-506 *SRO Membership - Mutual Fund Dealers* - mutual fund dealer exempted from the requirements of the Rule that it become a member of the Mutual Fund Dealers Association of Canada - mutual fund dealer subject to certain terms and conditions of registration.

Statute Cited

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

Rule Cited

Rule 31-506 SRO Membership - Mutual Fund Dealers, ss. 2.1 and 5.1

Published Document 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
iPERFORMANCE FUND CORP.

DECISION
(Section 5.1 of the Rule)

UPON the Director having received an application (the "**Application**") from iPerformance Fund Corp. (the "**Registrant**") for a decision, pursuant to section 5.1 of the Rule, exempting the Registrant from the requirements in section 2.1 of the Rule, which would otherwise require that the Registrant be a member of the Mutual Fund Dealers Association of Canada (the "**MFDA**") on and after July 2, 2002;

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

AND UPON the Registrant having represented to the Director that:

1. the Registrant is registered under the Act as an adviser in the categories of "investment counsel" and "portfolio manager" ("**ICPM**") and as a dealer in the category of "mutual fund dealer";

2. the Registrant is not otherwise registered under the Act and is not registered under the securities legislation of any other province or territory of Canada;

3. this application is not being made in any other jurisdiction;

4. the Registrant's current primary activities are (i) portfolio adviser of CEO Hirsch Opportunistic Canadian Fund, CEO Hirsch Opportunistic Natural Resource Fund and CEO Hirsch Opportunistic Tactical Allocation Fund (the "**CEO Hirsch Funds**") (for which the Registrant was formerly the administrative manager, trustee and principal distributor) and (ii) manager, trustee and distributor of other mutual funds which are offered on a private placement basis only (the "**Pooled Funds**");

5. at present, Hirsch Asset Management Corp.("**Hirsch**"), an affiliate of the Registrant, is registered under the Act as a mutual fund dealer and ICPM. On May 30, 2001, the Director exempted Hirsch from section 3.1 of the Rule provided that the Registrant prepare and submit an application to the MFDA;

6. it is Hirsch's intention to transfer its house accounts to the Registrant and surrender its registration as a mutual fund dealer;

7. the Registrant filed an application for membership with the MFDA, in compliance with such exemption decision and the Rule, with the intention of becoming a member of the MFDA;

8. membership with the MFDA for the Registrant is not appropriate due to the nature of the Registrant's intended primary business of a manager of Pooled Funds and portfolio adviser to the CEO Hirsch Funds;

9. the Registrant does not currently and does not intend to carry on the business of retail distribution of publicly-offered mutual funds;

10. 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;

11. 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;

12. any person or company that is not currently a client of the Registrant on the 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*;

13. upon the next general mailing to its account holders and in any event before July 2, 2002, the Registrant shall provide, to any client that was a client of the Registrant on the date of this Decision, the prominent written notice referred to in paragraph 12, 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 the Registrant is exempt from the requirements in section 2.1 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".

January 21, 2002.

"Rebecca Cowdery"

Schedule "A"

TERMS AND CONDITIONS OF REGISTRATION

OF

iPERFORMANCE FUND CORP.

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) "Client Name Trade" means, for the Registrant, a trade to, or on behalf of, a person or company, in securities of a mutual fund, for which the Registrant or Hirsch is a portfolio adviser, where, immediately before the trade, the person or company is shown on the records of the mutual fund or of an other mutual fund for which the Registrant or Hirsch is a portfolio adviser, 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 was an existing client of the Registrant on the Effective Date;

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

   (d) "Effective Date" means the date on which the Registrant is registered with the Commission as a mutual fund dealer;

   (e) "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;

   (f) "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;

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

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

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

   (j) "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) a trade in securities of a mutual fund 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;

   (k) "Hirsch" means Hirsch Asset Management Corp.;

   (l) "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 portfolio managed by the Registrant or an affiliated entity of the Registrant and where 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;

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

(n) "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;

(o) "Permitted Client Trade" means, for the Registrant, 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, in securities of a mutual fund for which the Registrant or Hirsch is a portfolio adviser, and the trade consists of:

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

(ii) a redemption, by the person, through the Registrant, of securities of the mutual fund;

(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 iPerformance Fund Corp.;

(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; and

(u) "Service Provider", for the Registrant, means 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.

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) an In Furtherance Trade; or

(d) a Permitted Client Trade

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

2.1.4 HSBC Bank USA - MRRS Decision

Headnote

MRRS - Underwriter and advisor registration relief for Schedule III Bank - prospectus and registration relief for trades where Schedule III Bank purchasing as principal and first trade relief for Schedule III Bank - prospectus and registration relief for trades of bonds, debentures and other evidences of indebtedness of or guaranteed by Schedule III Bank provided trades involve only specified purchasers - prospectus and registration relief for evidences of deposits by Schedule III Bank to specified purchasers - fee relief for trades made in reliance on Decision.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am. ss. 25(1)(a)&(c), 34(a), 35(1)(3)(i), 35(2)1(c), 53(i), 72(1)(a)(i), 73(1)(a), 74(1), 147.

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am. ss. 151, 206, 218, Schedule 1 s. 28.

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

AND

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

AND

IN THE MATTER OF
HSBC BANK USA

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut Territory and Yukon Territory (the "Jurisdictions") has received an application (the "Application") from HSBC Bank USA ("HBUS") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that HBUS is exempt from various registration, prospectus and filing requirements of the Legislation in connection with the banking activities to be carried on by HBUS in Canada;

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 HBUS to the Decision Makers that:

1. HBUS is a corporation duly organized and existing under the laws of the State of New York and is a validly existing banking organization under the banking laws of the State of New York. HBUS is a wholly-owned subsidiary and the principal banking subsidiary of HSBC USA Inc., an indirectly-held, wholly-owned subsidiary of HSBC Holding plc.

2. HBUS is the third largest depository institution and has the most extensive branch network in the State of New York, with more than 420 branches. It also has branches in Florida, Pennsylvania, California and Panama. In addition to its branch network, HBUS has the third largest factoring service in the United States of America and is the largest US bank-owned factor. It also conducts one of the world's largest precious metals operations and has also entered into Internet banking.

3. HSBC is not, and has no current intention of becoming, a reporting issuer in any province of Canada, nor are any of its securities listed on any stock exchange in Canada.

4. HBUS does not currently have a presence in Canada. An affiliate of HBUS, HSBC Bank Canada, currently provides retail banking, commercial lending and corporate treasury products in Canada. The full service branch of HBUS intends to leverage its AA credit rating to provide commercial lending services to corporate and institutional banking clients which have credit requirements that exceed the single name limit in Canada (an A credit rating). In addition, HBUS plans to engage in certain treasury related activities;

5. In June 1999, amendments to the *Bank* Act were proclaimed that permit foreign commercial banks to establish direct branches in Canada. These amendments have created a new Schedule III listing foreign banks permitted to carry on banking activities through branches in Canada;

6. In October, 2001, HBUS made an application (the "Bank Act Application") to the Office of the Superintendent of Financial Institutions Canada ("OSFI") for an order under the *Bank Act* permitting it to establish a full service branch under the *Bank Act* and designating it on Schedule III to the Bank Act;

7. Upon approval of the Bank Act Application, HBUS will establish and commence business as a foreign bank branch under the Bank Act. HBUS expects to receive all OSFI approvals on or before March 1, 2002.

8. HBUS will only be involved in wholesale deposit-taking, commercial lending and related treasury functions;

9. HBUS will only accept deposits from the following:

(a) Her Majesty in right of Canada or in right of a province or territory, an agent of Her Majesty in either of those rights and includes a municipal or public body empowered to perform a function of government in Canada, or an entity controlled by Her Majesty in either of those rights;

(b) the government of a foreign country or any political subdivision thereof, an agency of the government of a foreign country or any political subdivision thereof, or an entity that is controlled by the government of a foreign country or any political subdivision thereof;

(c) an international agency of which Canada is a member, including an international agency that is a member of the World Bank Group, the Inter-American Development Bank, the Asian Development Bank, the Caribbean Development Bank and the European Bank for Reconstruction and Development and any other international regional bank;

(d) a financial institution (i.e.: (a) a bank or an authorized foreign bank under the *Bank Act*; (b) a body corporate to which the *Trust and Loan Companies Act* (Canada) applies, (c) an association to which the *Cooperative Credit Association Act* (Canada) applies, (d) an insurance company or a fraternal benefit society to which the *Insurance Companies Act* (Canada) applies, (e) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province or territory in Canada, (f) a cooperative credit society incorporated and regulated by or under an Act of the legislature of a province or territory in Canada; (g) an entity that is incorporated or formed by or under an Act of Parliament or of the legislature of a province or territory in Canada and that is primarily engaged in dealing in securities, including portfolio management and investment counseling, and is registered to act in such capacity under the applicable Legislation, and (h) a foreign institution that is (i) engaged in the banking, trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services, and (ii) is incorporated or formed otherwise than by or under an Act of Parliament or of the legislature of a province or territory in Canada);

(e) a pension fund sponsored by an employer for the benefit of its employees or employees of an affiliate that is registered and has total plan assets under administration of greater than $100 million;

(f) a mutual fund corporation that is regulated under an Act of the legislature of a province or territory in Canada or under the laws of any other jurisdiction and has total assets under administration of greater than $10 million;

(g) an entity (other than an individual) that has gross revenues on its own books and records of greater than $5 million as of the date of its most recent annual financial statements; or

(h) any other person if the trade is in a security which has an aggregate acquisition cost to the purchaser of greater than $150,000;

collectively referred to for purposes of this Decision as "Authorized Customers".

10. The only advising activities which HBUS intends to undertake will be incidental to its primary business and it will not advertise itself as an adviser or allow itself to be advertised as an adviser in the Jurisdictions;

11. The Legislation applicable in each Jurisdiction currently refers to either "Schedule I and Schedule II banks", "banks", "savings institutions" or "financial institutions" in connection with certain exemptions however no reference is made in any of the Legislation to entities listed on Schedule III to the *Bank Act*;

12. In order to ensure that HBUS, as an entity listed on Schedule III to the *Bank Act*, is able to provide banking services to businesses in the Jurisdictions it requires similar exemptions enjoyed by banking institutions incorporated under the *Bank Act* to the extent that the current exemptions applicable to such banking institutions are relevant to the banking business being undertaken by HBUS in the Jurisdictions;

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 upon the establishment by HBUS of a branch designated on Schedule III to the *Bank Act* and in connection with the banking business to be carried on by HBUS in the Jurisdictions by such branch:

1. HBUS is exempt from the requirement under the Legislation, where applicable, to be registered as an underwriter with respect to trading in the same types of securities that an entity listed on Schedule I or II to the *Bank Act* may act as an underwriter in respect of without being required to be registered under the Legislation as an underwriter;

2. HBUS is exempt from the requirement under the Legislation to be registered as an adviser where the performance of the service as an adviser is solely incidental to its primary banking business;

3. A trade of a security to HBUS where HBUS purchases the security as principal shall be exempt from the registration and prospectus requirements of the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Legislation") provided that:

(i) the forms that would have been filed and the fees that would have been paid under the Applicable Legislation if the trade had been made, on an exempt basis, to an entity listed on Schedule I or II to the *Bank Act* purchasing as principal (referred to in this Decision as a "Schedule I or II Bank Exempt Trade") are filed and paid in respect of the trade to HBUS;

(ii) except in Quebec, the first trade in a security acquired by HBUS pursuant to this Decision is deemed a distribution or primary distribution to the public under the Applicable Legislation unless the conditions in subsections 2 or 3, as applicable, of section 2.5 of Multilateral Instrument 45-102 - *Resale of Securities* are satisfied; and

(iii) in Quebec, the first trade in a security acquired by HBUS pursuant to this Decision will be a distribution unless,

(a) at the time HBUS acquired the security: (i) the issuer of the security is a reporting issuer in Quebec; (ii) the issuer is not a Capital Pool Company as defined in Policy 2.4 of The Canadian Venture Exchange Inc.; (iii) the issuer has a class of securities listed on an acceptable exchange, has not been advised that it does not meet the requirements to maintain that listing and is not designated inactive, or the issuer has a class of securities that has an approved rating from an approved rating organization; for purposes of this Decision, the acceptable exchanges include the Toronto Stock Exchange, tier 1 and 2 of The Canadian Venture Exchange Inc., the American Stock Exchange, Nasdaq National Market, Nasdaq SmallCap Market, the New York Stock Exchange and the London Stock Exchange Limited; and (iv) the issuer has filed an annual information required under section 159 of the Regulation made under the *Securities Act* (Quebec), as amended from time to time, (the “Quebec Act”) within the time period contemplated by that section, or, if not required to file an annual information, has filed a prospectus that contains the most recent financial statements;

(b) the issuer has been a reporting issuer in Quebec for 4 months immediately preceding the trade;

(c) HBUS has held the securities for at least 4 months;

(d) no extraordinary commission or other consideration is paid;

(e) no effort is made to prepare the market or to create a demand for the securities;

(f) if HBUS is an insider of the issuer, HBUS has no reasonable grounds to believe that the issuer is in default under the Quebec Act; and

(g) HBUS files a report within 10 days of the trade prepared and executed in accordance with the requirements of the Quebec Act that would apply to a trade made in reliance on section 43 or 51 of the Quebec Act.

4. Provided HBUS only trades the types of securities referred to in this paragraph 4 with Authorized Customers, trades of bonds, debentures or other evidences of indebtedness of or guaranteed by HBUS shall be exempt from the registration and prospectus requirements of the Legislation; and

5. Evidences of deposit issued by HBUS to Authorized Customers shall be exempt from the registration and prospectus requirements of the Legislation.

THE FURTHER DECISION of the Decision Maker in Ontario is that:

A. Subsection 25(1)(a) of the *Securities Act* (Ontario) R.S.O. 1990 c. S.5 (as amended) (the "Act") does not apply to a trade by HBUS:

(i) of a type described in subsection 35(1) of the Act or section 151 of the Regulations made under the Act; or

(ii) subject to paragraph 4 above, in securities described in subsection 35(2) of the Act;

B. Subsection 25(1)(a) and section 53 of the Ontario Act do not apply to a trade by HBUS in:

(i) a security of a mutual fund, if the security is sold to a pension plan, deferred profit sharing plan, retirement savings plan or other similar capital accumulation plan maintained by the sponsor of the plan for its employees, and

(a) the employees deal only with the sponsor in respect of their participation in the plan and the purchase of the security by the plan, or

(b) the decision to purchase the security is not made by or at the direction of the employee; or

(ii) in a security of a mutual fund that:

(a) is administered by a body corporate to which the *Trust and Loan Companies Act* (Canada) applies or a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province or territory in Canada;

(b) consists of a pool of funds that:

(A) results from, and is limited to, the combination or commingling of funds of pension or other superannuation plans registered under the *Income Tax Act* (Canada), and

(B) is established by or related to persons or companies that are associates or affiliates of or that otherwise do not deal at arms length with the promoters of the mutual fund, except the trust, loan or insurance corporation that administers the fund; and

(c) is managed, in whole or in part, by a person who is registered or who is exempt from registration under the Ontario Act; and

C. Except as provided for in paragraph 3 of this Decision, section 28 of Schedule I to the Regulations made under the Act shall not apply to trades made by HBUS in reliance on this Decision.

February 26, 2002.

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

2.1.5 MGI Software Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - going private transaction - continuing employment agreements entered into between two senior officers and the corporations proposing an arrangement - senior officers hold less than two percent of the shares of the corporation being acquired under the arrangement - employment agreements negotiated at arm's length - senior officers also signed confidentiality, non-competition and non-solicitation agreements - terms of employment agreements consistent with those of similarly situated directors and consultants of the parties to the arrangement and relevant peers in the marketplace - terms of the agreements fully disclosed in the information circular provided to securityholders in connection with the arrangement - shares owned by senior officers not to be counted toward compliance with minority approval requirement - relief granted from valuation requirements in connection with the arrangement.

Applicable Ontario Rules

Rule 61-501 - Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 4.4, 4.5(1) and 9.1.

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 61-501 AND
QUEBEC SECURITIES COMMISSION POLICY
STATEMENT Q-27

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM

AND

IN THE MATTER OF
MGI SOFTWARE CORP.

MRRS DECISION DOCUMENT

WHEREAS an application (the "Application") has been received by the securities regulatory authority or regulator (the "Decision Makers") in each of Ontario and Quebec from MGI Software Corp. ("MGI") for a decision pursuant to Ontario Securities Commission Rule 61-501 ("Rule 61-501") and Commission des valeurs mobilières du Québec Policy Q-27 ("Policy Q-27" and, together with Rule 61-501, the "Legislation") that, in connection with the proposed arrangement (the "Arrangement"), involving MGI, the holders (the "Shareholders") of common shares of MGI ("Common Shares"), Roxio, Inc. ("Roxio") and Roxio-MGI Holding Corp. ("Subco") pursuant to which Subco would become the sole owner of all of the outstanding Common Shares, the Arrangement be exempt from the requirement to obtain a formal valuation under the Legislation (the "Valuation 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 MGI has represented to the Decision Makers that:

1. MGI was incorporated under the *Business Corporations Act* (Ontario) (the "OBCA") on September 22, 1995 and is a reporting issuer in each province of Canada. MGI's head office is located in Richmond Hill, Ontario.

2. Roxio is incorporated under the laws of the State of Delaware and is not a reporting issuer in any province of Canada. Roxio's head office is located in Milpitas, California.

3. Subco is incorporated under the laws of the State of Delaware and its head office is located in Milpitas, California. Subco is an indirectly wholly-owned subsidiary of Roxio. Subco is not a reporting issuer in any province of Canada.

4. The authorized share capital of MGI consists of an unlimited number of Common Shares. As of January 2, 2002, there were 42,449,967 Common Shares issued and outstanding.

5. In addition, at January 2, 2002, the following securities convertible into Common Shares were outstanding:

   (a) 3,520,863 options to purchase Common Shares (the "Options"), each of which entitles the holder thereof to purchase one Common Share upon payment of the applicable exercise price; and

   (b) 1,572,500 warrants to purchase Common Shares (the "Warrants"), each of which entitles the holder thereof to purchase one Common Share upon payment of the applicable exercise price.

6. The Common Shares are listed on The Toronto Stock Exchange (the "TSE") under the symbol "MGI". On December 3, 2001, the last trading day prior to the public announcement of the Arrangement, the closing price of the Common Shares on the TSE was $1.05. On January 9, 2002, the closing price of the Common Shares on the TSE was $1.23.

7. As at January 2, 2002, Anthony DeCristofaro ("DeCristofaro") and Kenneth MacKenzie ("MacKenzie" and, together with DeCristofaro, the "Key Employees"), each of whom is a senior officer of MGI, collectively owned, directly or indirectly, approximately 0.76% of the issued and outstanding Common Shares (approximately 1.58% of the Common Shares on a fully diluted basis), as follows:

   (a) DeCristofaro, Chief Executive Officer of MGI, owned, directly or indirectly, 324,100 Common Shares and 300,000 Options with an exercise price of $4.09 per Common Share; and

(b) MacKenzie, Chief Financial Officer of MGI, owned, directly or indirectly, no Common Shares and 130,000 Options with an exercise price of $0.75 per Common Share.

8. Neither of the Key Employees owns any Warrants either directly or indirectly.

9. On December 3, 2001, MGI and Roxio entered into an agreement (the "Combination Agreement") pursuant to which Subco will, subject to the satisfaction of certain conditions, including the requisite approval of the Shareholders, acquire all of the issued and outstanding Common Shares by way of the Arrangement.

10. Under the Combination Agreement, MGI has agreed to call and hold a special meeting of the Shareholders for the purpose of considering and approving the Arrangement (the "Special Meeting"). The Special Meeting is expected to be held on January 28, 2002.

11. On December 28, 2001, MGI received an interim order of the Superior Court of Justice (Ontario) with respect to various procedural and administrative matters relating to the Special Meeting (the "Interim Order").

12. In connection with the execution of the Combination Agreement, certain Shareholders and holders of Options have entered into agreements ("Designated Shareholder Agreements") with Roxio pursuant to which such persons have agreed, among other things and subject to certain conditions, to vote in favour of the Arrangement at the Special Meeting. Approximately 16.41% of the Common Shares (approximately 18.83% of the Common Shares on a fully-diluted basis) are subject to the Designated Shareholder Agreements. Each of the Key Employees has entered into a Designated Shareholder Agreement.

13. On January 3, 2002, MGI mailed to Shareholders a management information circular and proxy statement (the "Circular") in order to solicit proxies for the Special Meeting.

14. Among other things, the transactions contemplated by the Combination Agreement provide for the following:

(a) each issued and outstanding Common Share shall be transferred to Subco in exchange for 0.05269 shares in the common stock, par value U.S. $0.001 of Roxio (each whole such share, a "Roxio Share") subject to certain downward adjustments as set forth in the Combination Agreement;

(b) the vesting of all Options has been fully accelerated and any Option that remains unexercised into Common Shares immediately prior to the effective date of the Arrangement will be cancelled as of such date without the payment of any consideration to the holder thereof; and

(c) all Warrants will either be (i) redeemed by MGI for a cash payment subject to obtaining the approval of the holders of such Warrants, or (ii) stay in place and, upon the exercise thereof, subject to receiving exemptive relief under applicable securities laws, Roxio Shares will be issued to the holders thereof.

15. The respective obligations of Roxio and MGI under the Combination Agreement are subject to a number of conditions customarily found in agreements of this nature, including, among others, not more than 5% of the Common Shares being held by Shareholders who exercise their dissent rights under the OBCA (as such dissent rights were varied by the Interim Order).

16. The respective obligations of Roxio and MGI under the Combination Agreement are also conditional on agreements being in effect with the Key Employees.

17. Transitional service agreements between each of Roxio and DeCristofaro (the "DeCristofaro Agreement) and MGI and MacKenzie (the "MacKenzie Agreement" and, together with the DeCristofaro Agreement, the "Transition Agreements") provide for the provision of service to Roxio or MGI by DeCristofaro and MacKenzie, respectively, following the completion of the Arrangement and are conditional on the closing of the Arrangement.

18. Each Transition Agreement was negotiated on an arm's length basis, independently of the Combination Agreement.

19. Under his current terms of employment, DeCristofaro is, among other things, (a) paid an annual salary of $150,000, (b) entitled to participate in MGI's bonus plan up to the amount of $400,000 per year, (c) entitled to receive a bonus of $84,742 upon the completion of a change of control of MGI by way of acquisition, merger or corporate reorganization, (d) entitled to a payment of 1.5 times his annual salary plus bonus upon a voluntary resignation following the occurrence of a successful take-over bid or change of control of MGI, (e) entitled to a severance payment of 1.5 times his annual salary in the event that he is terminated by MGI with or without cause, (f) obligated to terminate all employment with MGI and entitled to a payment of $500,000 in lieu of the payments noted in clauses (c), (d) and/or (e) above in the event that the Arrangement is completed, and (g) granted 300,000 Options, all of which Options are fully vested as at the date hereof.

20. Under his current terms of employment, MacKenzie is, among other things, (a) paid an annual salary of $194,000, (b) entitled to participate in MGI's bonus plan up to the amount of $58,200 per year, (c) entitled to a severance payment equal to 6 months salary in the event that he is terminated or is the subject of a substantive change in status, authorities, duties or responsibilities following a change of control, (d) entitled to receive a bonus of $50,000 upon the completion of a change of control of MGI by way of acquisition, merger or corporate reorganization, (e) obligated to terminate all employment with MGI and entitled to a payment of $147,000 in lieu of the payments noted in clauses (c) and/or (d) above in the

event that the Arrangement is completed, and (f) granted 130,000 Options to vest equally over 4 years on a quarterly basis starting at April 30, 2001.

21. If the Arrangement is completed, then, in addition to the payment noted at clause (f) of paragraph 19 hereof, pursuant to the DeCristofaro Agreement, DeCristofaro will act as an advisor to Roxio's board of directors for a four-year period and, if further agreed by Roxio and DeCristofaro, DeCristofaro will become a director of Roxio and receive as compensation from Roxio an irrevocable option to purchase up to 25,000 Roxio Shares under Roxio's 2001 Stock Plan at a price per share equal to the fair market value thereof on the day prior to the closing the transactions contemplated pursuant to the Arrangement.

22. If the Arrangement is completed, then, in addition to the payment noted at clause (e) of paragraph 20 hereof, pursuant to the MacKenzie Agreement, MGI has agreed to retain MacKenzie's services as a consultant and not an employee for a fixed term of three months following the completion of the Arrangement to assist and oversee the transition of accounting and finance functions from MGI's head office in Richmond Hill, Ontario to Roxio's head office in Milpitas, California, in consideration for which MacKenzie or a company in which he is a principal is to receive the gross amount of $25,000 per month for the duration of the provision of such services. The MacKenzie Agreement may be extended for further three-month periods at the mutual agreement of MGI and MacKenzie, as consideration for which MacKenzie or a company in which he is a principal will receive the gross amount of $25,000 per month for each such three-month period.

23. In connection with the execution of the Transition Agreements, DeCristofaro has also executed a confidentiality, non-competition and non-solicitation agreement in favour of Roxio and each of the Key Employees has executed a general release in favour of MGI.

24. The compensation to be paid under the Transition Agreements is consistent with that paid to similarly situated directors and consultants, as applicable, of each of Roxio and MGI, as applicable, and by relevant peer employers in the marketplace.

25. If the Arrangement is completed, each of the Key Employees will only be entitled to receive, directly or indirectly, consequent upon the Arrangement, consideration per Common Share that is identical in amount and type to that paid to all other Shareholders.

26. Other than pursuant to the Transition Agreements, each of the Key Employees will not be entitled to receive consideration of greater value than that paid to all other Shareholders.

27. Upon completion of the Arrangement, neither of the Key Employees will own any securities of MGI or exercise control or direction over any securities of MGI and the sole holder of securities of MGI will be Subco.

28. The Transition Agreements were entered into for reasons other than to increase the value of the consideration payable pursuant to the Arrangement for the Common Shares held by the Key Employees. The purpose of the DeCristofaro Agreement is to add DeCristofaro's knowledge and experience with respect to MGI and the industry in which it conducts business to Roxio's board of directors and the purpose of the MacKenzie Agreement is to facilitate the process of integrating MGI's and Roxio's finances. Consequently, each Transition Agreement represents considerable value to Roxio upon the completion of the Agreement.

29. The terms of the Transition Agreements have been disclosed in the Circular.

30. The Common Shares that the Key Executives beneficially own or over which they exercise control or direction will not be counted toward the minority approval required under the Legislation (other than in the capacity of proxy holders having no discretion in respect of how the Common Shares will be voted in connection with the Arrangement).

AND WHEREAS, pursuant to the System, this MRRS Decision Document evidences the determination of the Decision Makers (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, in connection with the Arrangement, MGI shall be exempt from the Valuation Requirement, provided that MGI complies with the other applicable provisions of the Legislation.

January 28, 2002.

"Ralph Shay"

2.1.6 IPC US Income Commercial Real Estate Investment Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Open-end investment trust exempt from prospectus and registration requirements in connection with issuance of units to existing unitholders pursuant to distribution reinvestment plan (DRIP) whereby distributions of Distributable Income are reinvested in additional units of the trust, subject to certain conditions - First trade in additional units deemed a distribution unless MI 45-102 - *Resale of Securities* is complied with.

Applicable Ontario Statutory Provisions

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

Rules Cited

OSC Rule 45-502 - Dividend or Interest Reinvestment and Stock Dividend Plans, (1998) 21 OSCB 3685.

Multilateral Instrument Cited

MI 45-102 - Resale of Securities, (2001) 24 OSCB 5522.

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

AND

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

AND

IN THE MATTER OF
IPC US INCOME COMMERCIAL REAL ESTATE INVESTMENT TRUST

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and Northwest Territories (the "Jurisdictions") has received an application from IPC US Income Commercial Real Estate Investment Trust ("IPC REIT") for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a final prospectus (the "Registration and Prospectus Requirements") shall not apply to the distribution or resale of units of IPC REIT pursuant to a distribution reinvestment plan (the "DRIP");

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 IPC REIT has represented to the Decision Makers that:

1. IPC REIT is an unincorporated open-end investment trust established under the laws of the Province of Ontario by a declaration of trust dated November 8, 2001, which declaration of trust was amended and restated on December 19, 2001 (the "Declaration of Trust").

2. The beneficial interests in IPC REIT are divided into a single class of units (the "Units") and IPC REIT is authorized to issue an unlimited number of Units. As of the date hereof, 16,645,000 Units are presently issued and outstanding.

3. Each Unit represents a proportionate undivided beneficial interest in IPC REIT, and entitles holders of Units ("Unitholders") to one vote at any meeting of Unitholders and to participate *pro rata* in the distributions of IPC REIT.

4. The Units of IPC REIT are currently listed and posted for trading on the Toronto Stock Exchange (the "TSE").

5. IPC REIT is not a "mutual fund" as described in the Legislation because the Unitholders are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of IPC REIT as contemplated in the definition of "mutual fund" in the Legislation.

6. IPC REIT became a reporting issuer or the equivalent thereof in each province and territory in Canada on December 13, 2001 when it obtained a receipt for its prospectus dated December 13, 2001 (the "Prospectus"). As of the date hereof, IPC REIT is not in default of any requirements under the Legislation.

7. IPC REIT was established to continue and expand the commercial real estate business of IPC (US), Inc. (the "Company") and its subsidiaries. The Company was founded in 1998 in response to opportunities to acquire real estate in the mid-size cities of Louisville, Kentucky and Wichita, Kansas, and in other urban markets in the States of New Hampshire, New York, New Jersey and Massachusetts.

8. IPC REIT's focus will be on the acquisition, management, leasing and redevelopment of office and retail properties in its existing and similarly situated markets primarily in the United States.

9. The objectives of IPC REIT are: (i) to generate stable U.S. dollar-linked cash distributions on a tax efficient basis; (ii) to grow IPC REIT and increase its

Distributable Income (as such term is defined in the Declaration of Trust) through an aggressive acquisition program by accessing the network of relationships and depth of commercial property and financing experience offered by Paul Reichmann; and (iii) to enhance the value of IPC REIT's assets and to maximize long-term Unit value through efficient management.

10. IPC REIT currently intends to make cash distributions to Unitholders monthly, equal to, on an annual basis, approximately 80% of its Distributable Income.

11. IPC REIT intends to establish the DRIP pursuant to which Unitholders may, at their option, invest cash distributions paid on their Units in additional Units ("Additional Units"). The DRIP will not be available to Unitholders who are not Canadian residents.

12. Distributions due to participants in the DRIP ("DRIP Participants") will be paid to CIBC Mellon Trust Company in its capacity as agent under the DRIP (in such capacity, the "DRIP Agent") and applied to purchase Additional Units. All Additional Units purchased under the DRIP will be purchased by the DRIP Agent directly from IPC REIT.

13. The price of Additional Units purchased with such cash distributions will be the volume weighted average of the closing price for a board lot of Units on the TSE for the five trading days immediately preceding the relevant distribution date. Unitholders who elect to participate in the DRIP will receive a further distribution of Additional Units equal in value to 3% of each distribution that is reinvested under the DRIP.

14. No commissions, service charges or brokerage fees will be payable by DRIP Participants in connection with the DRIP and all administrative costs will be borne by IPC REIT.

15. Additional Units purchased under the DRIP will be registered in the name of the DRIP Agent, as agent for the DRIP Participants.

16. Unitholders may terminate their participation in the DRIP at any time by written notice to the DRIP Agent. Such notice, if received prior to a distribution date, will have effect for such distribution. Thereafter, distributions payable to such Unitholders will be by cheque.

17. IPC REIT may amend, suspend or terminate the DRIP at any time, provided that such action shall not have a retroactive effect which would prejudice the interests of the DRIP Participants. All DRIP Participants will be sent notice of any such amendment, suspension or termination.

18. The distribution of the Additional Units by IPC REIT pursuant to the DRIP cannot be made in reliance on certain registration and prospectus exemptions contained in the Legislation as the DRIP involves the reinvestment of Distributable Income distributed by IPC REIT and not the reinvestment of distributions of dividends, interest, capital gains or earnings of surplus of IPC REIT.

19. The distribution of the Additional Units by IPC REIT pursuant to the DRIP cannot be made in reliance on registration and prospectus exemptions contained in the Legislation for distribution reinvestment plans of mutual funds, as IPC REIT is not a "mutual fund" as defined in the Legislation.

20. As of the date hereof, IPC REIT would be considered a “qualifying issuer” for purposes of Multilateral Instrument 45-102 - *Resale of Securities.*

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

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

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

(a) at the time of the trade IPC REIT 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) IPC REIT has caused to be sent to the person or company to whom the Additional Units are traded, not more than 12 months before the trade, a statement describing:

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

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

(d) prior to April 13, 2002 (the date on which IPC REIT will have been a reporting issuer for four months), the aggregate number of Additional Units issued or issuable to beneficial holders of Units pursuant to the DRIP shall not exceed 0.75% of the aggregate number of Units outstanding at the time of the trade;

(e) disclosure of the initial distribution of the Additional Units is made to the relevant Jurisdictions by providing the particulars of the date of the distribution of such Additional Units, the number of such Additional Units and the purchase price paid or to be paid for such Additional 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 IPC REIT distributes such Additional Units for the first time and thereafter, not less frequently than annually, unless the aggregate number of Additional Units so traded in any month exceeds 1% of the Units outstanding at the beginning of a month in which the Additional Units were traded, in which case a separate report shall be filed in each relevant Jurisdiction (other than Québec) in respect of that month within ten days of the end of such month;

(f) except in Québec, the first trade in Additional 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 unless the conditions in Subsections 2.6(3) or (4) of Multilateral Instrument 45-102 are satisfied; and

(g) in Québec, the first trade (alienation) in Additional Units acquired pursuant to this Decision shall be deemed a distribution or primary distribution to the public unless:

(i) at the time of the first trade, IPC REIT is and has been a reporting issuer in Québec for the four months immediately preceding the trade;

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

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

(iv) if the seller of the Additional Units is an insider of IPC REIT, the seller has reasonable grounds to believe that IPC REIT is not in default of any requirement of the Legislation of Québec.

March 8, 2002.

"Paul Moore" "R. Stephen Paddon"

2.1.7 Dayton Mining Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted from the requirement to prepare and file a technical report in connection with an arrangement - property only to be in operation until the middle of 2002

Applicable Ontario Provisions

National Instrument 43-101 Standards of Disclosure for Mineral Projects, ss. 4.2 and 9.1

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

AND

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

AND

IN THE MATTER OF
DAYTON MINING CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Newfoundland and Labrador, New Brunswick, and Prince Edward Island (the "Jurisdictions") has received an application from Dayton Mining Corporation ("Dayton") for a decision under the securities legislation in the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file a current technical report for a material property (the "Technical Report Requirement") shall not apply to Dayton with respect to its interest in the Rawhide Mine (as defined below) in connection with the filing and distribution of a joint information circular (the "Circular") with Pacific Rim Mining Corporation ("Pacific Rim");

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

AND WHEREAS Dayton has represented to the Decision Makers that:

1. Dayton is an international mining resource company engaged, both directly and through its wholly-owned subsidiaries, in the acquisition and development of precious metals properties;

2. Dayton was incorporated under the laws of British Columbia on May 7, 1985 and is a reporting issuer or the equivalent in each of the provinces of Canada except Québec and Nova Scotia;

3. Dayton's authorized share capital is 1,000,000,000 common shares, of which 31,123,974 common shares are outstanding as of January 8, 2002; Dayton's common shares are currently listed on The Toronto Stock Exchange (the "TSE") and the American Stock Exchange under the symbol "DAY";

4. Dayton's head office is located at Suite 2393 - Three Bentall Centre, 595 Burrard Street, P.O. Box 49186, Vancouver, British Columbia, V7X 1K8;

5. Dayton has been a reporting issuer since 1991 and is currently in good standing in all of the Jurisdictions;

6. Pacific Rim was incorporated under the laws of British Columbia on January 7, 1986 and is currently a reporting issuer in British Columbia, Alberta and Ontario; Pacific Rim's authorized capital is 100,000,000 common shares of which 23,498,600 common shares are outstanding as of January 8, 2002; Pacific Rim's common shares are currently listed on the TSE;

7. on January 8, 2002, Dayton entered into an amalgamation agreement with Pacific Rim under which Dayton and Pacific Rim will amalgamate (the "Amalgamation") to form an amalgamated company named "Pacific Rim Mining Corp." ("Amalco"); under the Amalgamation, Dayton shareholders will receive 1.760 common shares of Amalco in exchange for each common share of Dayton, and Pacific Rim shareholders will receive one common share of Amalco in exchange for each common share of Pacific Rim; as a result of the Amalgamation, Dayton shareholders will hold 70% of Amalco's outstanding common shares and Pacific Rim shareholders will hold 30% of Amalco's outstanding common shares;

8. Dayton and Pacific Rim must obtain their respective shareholders' approval of the Amalgamation by special resolution at a meeting to be held on or around April 2, 2002 (the "Meeting"); in connection with the Meeting, Dayton and Pacific Rim will file in the Jurisdictions and distribute to their respective shareholders the Circular containing disclosure of the business and affairs of each company, including disclosure on mineral projects on material properties;

9. section 4.2 of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") requires an issuer to file a current technical report to support information disclosed in certain documents, including an information circular, filed or made available to the public in a Canadian jurisdiction describing mineral projects on a property material to the issuer;

10. Dayton currently holds an interest in two material properties:

    (a) the El Dorado exploration property located in El Salvador; a geological report on this property was completed by an independent qualified person, as defined in NI 43-101, in March, 2000; and

    (b) a 49% non-operating interest in the Denton-Rawhide Mine (the "Rawhide Mine") located in Nevada, U.S.A. which Dayton acquired in April, 2000;

11. the Rawhide Mine is an open-pit heap leach gold mine, which has been in continuous operation for approximately ten years;

12. the operator and 51% owner of the Rawhide Mine is Kennecott Mining Corporation ("Kennecott"), a wholly-owned subsidiary of Rio Tinto plc ("Rio Tinto"); Rio Tinto is a public company registered in the United Kingdom and its shares are currently listed on the New York Stock Exchange and the Australian Stock Exchange;

13. no independent technical report has been prepared on the Rawhide Mine; and

14. Dayton and Kennecott intend to cease open pit mining operations at the Rawhide Mine by the middle of 2002 and only stockpiled ore will be placed on leach pads until early 2003;

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 Technical Report Requirement shall not apply to Dayton with respect to its interest in the Rawhide Mine in connection with the filing and distribution of the Circular.

February 12, 2002.

"Brenda Leong"

2.1.8 Scotia Canadian Stock Index Fund - MRRS Decision

IN THE MATTER OF
THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, ONTARIO, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR

AND

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

AND

IN THE MATTER OF
SCOTIA CANADIAN STOCK INDEX FUND

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Makers") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, Newfoundland and Labrador (collectively, the "Jurisdictions") have received an application (the "Application") from Scotia Securities Inc. ("SSI"), in its capacity as trustee and manager of the Scotia Canadian Stock Index Fund (the " Index Fund"), for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding an investment in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company (together, the "Restrictions"), shall not apply in respect of investments made by the Index Fund;

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

AND WHEREAS SSI has represented to the Decision Makers that:

1. SSI is a corporation incorporated under the laws of the Province of Ontario and is a wholly owned subsidiary of The Bank of Nova Scotia ("BNS"). SSI is the trustee and manager of the Index Fund.

2. The Index Fund is an open-end mutual fund trust established under the laws of the Province of Ontario. The Index Fund is a reporting issuer under the securities legislation of each Jurisdiction and units of the Index Fund are qualified for distribution under a simplified prospectus and annual information form dated December 3, 2001, as amended, and accepted by the Decision Makers in each of the Jurisdictions.

3. The portfolio advisor of the Index Fund is currently Barclays Global Investors Canada Limited ("Barclays"). On March 1, 2002, the portfolio advisor of the Index Fund will be State Street Global Advisors, Ltd. ("State Street"). Barclays and State Street (each a "Portfolio Advisor") are not related companies of BNS.

4. The investment objective of the Index Fund is long-term capital growth by tracking the performance of a generally recognized Canadian equity index, currently The Toronto Stock Exchange 300 Total Return Index (the "Target Index"). In order to achieve its investment objective, the Index Fund's primary investment strategy is to invest all of its assets directly in the securities of companies included in the Target Index in substantially the same proportion as such securities are weighted in the Target Index.

5. The Fund is an index mutual fund as defined in National Instrument 81-102 Mutual Funds ("NI 81-102").

6. Among the securities comprising the Target Index are common shares of BNS.

7. Due to the Restrictions, the Index Fund has not, while under the management of SSI, invested in common shares of BNS. It has instead invested in alternate securities to attempt to match the performance and risk composition of the Target Index.

8. The portfolio of the Index Fund is not actively managed. The portfolio is passive and is comprised of securities comprising the Target Index. Purchases and sales of portfolio securities of the Fund will be determined by the composition of the Target Index and the weightings therein of the constituent securities.

9. The deviation from the Restrictions will not be the result of any active decision of SSI or the Index Fund's Portfolio Advisor to increase the investment of the Index Fund in any particular issuer, but rather an indirect consequence of carrying out the investment objective of the Index Fund to match the performance of the Target Index.

10. The investments by the Index Fund in common shares of BNS represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Index Fund.

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 Restrictions do not apply to the investment by the Index Fund in securities of BNS;

PROVIDED THAT at the time of each investment made in common shares of BNS pursuant to this Decision, the following conditions are satisfied:

i. the Target Index, and any successor index to the Target Index, is a "permitted index" as such term is defined in section 1.1 of NI 81-102; and

ii. the proportion of the Index Fund's assets to be invested in common shares of BNS is determined in accordance with the Index Fund's stated investment strategy of investing in the constituent securities of the Target Index in substantially the same proportion as such securities are weighted in that index, and not pursuant to the discretion of SSI or the Index Fund's Portfolio Advisor.

March 12, 2002.

"R. Stephen Paddon" "H. Lorne Morphy"

2.1.9 Transition Therapeutics Inc. and Waratah Pharmaceuticals Inc. - MRRS Decision

Headnote

Mutual Reliance Review system for Exemptive Relief Applications -Combination Transaction. Options of Subsidiaries exercisable for shares of parent. Relief from Prospectus and Registration requirements for exercises of options.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., s. 25, s. 53, s. 74.

Applicable Multilateral Instrument

Multilateral Instrument 45-102**.**

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

AND

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

AND

IN THE MATTER OF
TRANSITION THERAPEUTICS INC.
AND WARATAH PHARMACEUTICALS INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Ontario and Québec (collectively, the "Jurisdictions") has received an application from Transition Therapeutics Inc. ("Transition"), for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and prospectus (the "Registration and Prospectus Requirements") shall not apply to certain trades which may be made following the proposed arrangement (the "Arrangement") pursuant to section 192 of the Canada Business Corporations Act (the "CBCA"), involving Transition, Waratah Pharmaceuticals Inc. ("Waratah") and 3974863 Canada Inc. ("Newco");

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 Transition has represented to the Decision Makers that:

(a) Transition is a corporation existing under the Business Corporations Act (Ontario);

(b) Waratah is a corporation existing under the CBCA;

(c) Transition is a biopharmaceutical company engaged in developing novel approaches and therapeutics to treat multiple sclerosis, diabetes and restenosis. Transition's head office is located at Suite 1103, 415 Yonge Street, Toronto, Ontario, M5B 2E7;

(d) Waratah is a biopharmaceutical company focused on the clinical development and commercialization of its novel, patented therapy – Islet Neogenesis Therapy for the treatment of insulin-dependent diabetes. Waratah's head office is located at Suite 3700, 400 – 3rd Avenue, Calgary, Alberta, T2P 4H2;

(e) Transition is and has been a reporting issuer in each of the Provinces of British Columbia, Alberta and Ontario since February 20, 2001 and is not, to its knowledge in default of the securities legislation of such jurisdictions;

(f) Transition is an electronic filer under National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR);

(g) Transition is not a qualifying issuer under Multilateral Instrument 45-102 Resale of Securities ("MI 45-102");

(h) Waratah is and has been a reporting issuer in each of the Provinces of British Columbia, Alberta, Saskatchewan and Ontario since September 11, 2000, and in the Province of Québec since April 20, 2001, and is not, to its knowledge in default of the securities legislation of such jurisdictions;

(i) the common shares of Transition ("Transition Common Shares") and the common shares of Waratah ("Waratah Common Shares") are listed on the Canadian Venture Exchange Inc. (the "CDNX"). Application has been made to the CDNX to approve the additional listing of Transition Common Shares to be issued pursuant to the Arrangement which listing will be subject to the fulfilment of all requirements of such exchange including the filing of the usual documentation;

(j) the authorized share capital of Transition consists of an unlimited number of Transition Common Shares and an unlimited number of non-voting Class B shares (the "Class B Shares") of which 20,168,750 Transition Common Shares and 4,500,000 Class B Shares were outstanding as of the close of business on December 13, 2001. Each Class B Share is convertible into one Transition Common Share without payment of additional consideration;

(k) the authorized share capital of Waratah consists of an unlimited number of Waratah Common Shares of which 25,521,384 Waratah Common Shares were outstanding as of the close of business on December 13, 2001. As of the close of business on December 13, 2001, there were also outstanding (i) 2,545,000 Waratah Options to acquire 2,545,000 Waratah Common Shares ("Waratah Options") and (ii) 4,853,616 Waratah Warrants to acquire 4,853,616 Waratah Common Shares ("Waratah Warrants");

(l) a meeting (the "Transition Meeting") of the holders of Transition Common Shares ("Transition Shareholders") and a special meeting (the "Waratah Meeting") of the holders of Waratah Common Shares ("Waratah Shareholders"), Waratah Warrants and Waratah Options (collectively, the "Waratah Securityholders") have been called for January 14, 2002. At each of the Transition Meeting and the Waratah Meeting, the Transition Shareholders and the Waratah Securityholders, as applicable, will be asked to consider, and if deemed advisable, to approve the Arrangement;

(m) pursuant to the Arrangement, the Waratah Shareholders will receive Transition Common Shares on the basis of 0.83333 of a Transition Common Share for each Waratah Common Share held (the "Exchange Ratio");

(n) Newco is a corporation incorporated under the CBCA and was incorporated for the purpose of facilitating the Arrangement;

(o) the following steps will occur in the following order as part of the Arrangement effective as of the date of the certificate giving effect to the Arrangement (the "Effective Date"):

  (i) Newco and Waratah will be amalgamated in accordance with the provisions of the CBCA to form a continuing corporation ("Amalco");

  (ii) Pursuant to the amalgamation, all Waratah Shareholders (other than dissenting shareholders) will receive Transition Common Shares on the basis of the Exchange Ratio and all outstanding Waratah Common Shares and authorized and unissued shares of Waratah shall be cancelled;

  (iii) each of the then outstanding Waratah Warrants will be cancelled and replaced with warrants of Amalco ("Amalco Warrants") on a one-for-one basis, provided, however, that on exercise of Amalco Warrants, the warrantholder will be issued Transition Common Shares. The number of Transition Common Shares shall be determined by multiplying

the number of shares of Amalco subject to such Amalco Warrant by the Exchange Ratio. The Amalco Warrants issued to Waratah warrantholders will otherwise have the same terms as the Waratah Warrants cancelled pursuant to the Arrangement, including the exercise price, exercisability, expiry and all other terms and conditions of such Waratah Warrants; and

(iv) each of the then outstanding Waratah Options will be cancelled and replaced with options of Amalco ("Amalco Options") on a one-for-one basis, provided, however, that on exercise of Amalco Options, the optionholder will be issued Transition Common Shares. The number of Transition Common Shares shall be determined by multiplying the number of shares of Amalco subject to such Amalco Option by the Exchange Ratio. The Amalco Options issued to Waratah optionholders will otherwise have the same terms as the Waratah Options cancelled pursuant to the Arrangement, including the exercise price, exercisability, expiry and all other terms and conditions of such Waratah Options.

(p) following the Effective Date, Transition will issue such Transition Common Shares as are required to be issued pursuant to the exercise of Amalco Options and will issue such Transition Common Shares as are required to be issued pursuant to the exercise of Amalco Warrants (such issuances are referred to as the "Trades"), for which Trades exemptions from the Registration and Prospectus Requirements are not available in all of the Jurisdictions;

(q) the foregoing structure of the Arrangement was driven in part by certain United States income tax and securities law considerations;

(r) the Arrangement requires final approval by the Court of Queen's Bench of Alberta (the "Alberta Court");

(s) on December 13, 2001, the Alberta Court granted an interim order providing for, among other things, the calling and holding of the Waratah Meeting;

(t) the Arrangement is a related party transaction (as defined in Ontario Securities Commission Rule 61-501 ("Rule 61-501") and Policy Q-27 of the Commission des valeurs mobilières du Québec ("Policy Q-27")) with respect to Transition;

(u) the Arrangement must be approved by at least two-thirds of the votes cast at the Waratah Meeting and by a majority of votes cast by Transition Shareholders other than votes cast by any Related Party in accordance with the requirements of Rule 61-501 and Policy Q-27, at the Transition Meeting;

(v) a joint management information circular (the "Joint Circular") has been delivered to the Transition Shareholders and the Waratah Securityholders in connection with the Meeting, which contains among other things, prospectus level disclosure of the business and affairs of each of Waratah and Transition, the particulars of the Arrangement as well as formal valuations as defined in Rule 61-501 and Policy Q-27, and opinions of independent financial advisors for each of Transition and Waratah. The Joint Circular has been filed on SEDAR in each of the Jurisdictions;

(w) each Waratah Shareholder will be entitled to dissent from the Arrangement under section 190 of the CBCA and to be paid the fair value of such holder's Waratah Common Shares subject to certain conditions described in the Joint Circular;

(x) it is anticipated that the Arrangement will become effective on or about January 15, 2002, after the requisite court and shareholder approvals have been obtained and all other conditions to the Arrangement have been satisfied or waived;

AND WHEREAS under the System, this MRRS Decision Document evidences the decisions 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 Trades are not subject to the Registration and Prospectus Requirements of the Legislation: (i) if, in respect of each Trade, no commission or other remuneration is paid or given to others for the Trade except for administrative or professional services or for services performed by a registered dealer; (ii) provided that the first trade in Transition Common Shares acquired pursuant to this Decision will be a distribution or primary distribution to the public unless the conditions in subsections (3), (4) or (5) of section 2.6 of MI 45-102 are satisfied and; (iii) for the purposes of determining the period of time that Transition has been a reporting issuer under section 2.6 of MI 45-105, the period of time that Waratah was a reporting issuer immediately before the Arrangement may be included.

January 15, 2002.

"R. Stephen Paddon" "H. Lorne Morphy"

2.1.10 Waratah Pharmaceuticals Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer has one beneficial equity holder - Issuer has five beneficial option holders and four beneficial warrant holders who are residents of Canada - issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
WARATAH PHARMACEUTICALS INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Ontario and Québec (the "Jurisdictions") has received an application from Waratah Pharmaceuticals Inc. (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 or the equivalent under the Legislation;

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 Filer has represented to the Decision Makers that:

(a) The Filer is a reporting issuer in Alberta, Saskatchewan, Ontario and Québec and has its head office in Toronto, Ontario.

(b) Waratah Pharmaceuticals Inc., a predecessor company to the Corporation ("Old Waratah") was incorporated on April 20, 2000 pursuant to the laws of the Canada Business Corporations Act (the "CBCA").

(c) On January 15, 2002, Old Waratah amalgamated with 3974863 Canada Inc. under a plan of arrangement (the "Arrangement") under the CBCA and continued as the Filer.

(d) The authorized share capital of the Filer consists of an unlimited number of common shares (the "Common Shares") of which one common share is outstanding. The Filer also has 4,853,616 warrants (the "Warrants") and 2,545,500 options (the "Options) outstanding.

(e) Pursuant to the Arrangement, shareholders of Old Waratah received 0.83333 of a common share of Transition Therapeutics Inc. ("Transition") for each common share of Old Waratah held. All outstanding warrants and options to acquire Old Waratah shares were cancelled and replaced with the Warrants and the Options, as applicable, on a one-for-one basis.

(f) Each Warrant and Option is exercisable into Transition common shares with appropriate adjustments to the number of Transition common shares and on the same terms as to exercise time, exercise price and expiry and all other terms and conditions of such Old Waratah warrant or option, as applicable.

(g) Transition is a reporting issuer in each of the Jurisdictions.

(h) As a result of the Arrangement, Transition holds all of the Common Shares. There are twenty-one (21) beneficial holders of the Options, of which two (2) are residents of Ontario, two (2) are residents of Alberta, one (1) is a resident of Quebec, and sixteen (16) are non-Canadian residents. There are five (5) beneficial holders of the Warrants, of which one (1) is a resident of Ontario, two (2) are residents of Alberta, one (1) is a resident of British Columbia and one (1) is a non-Canadian resident.

(i) The common shares of Old Waratah were delisted from the Canadian Venture Exchange on January 28, 2002 and no securities of the Filer are listed or traded on any exchange or market in Canada or elsewhere.

(j) Other than the Common Shares, the Options and the Warrants, the Filer has no securities, including debt securities, outstanding.

(k) The Filer does not intend to seek public financing by way of an issue of securities.

(l) To the best of its knowledge, the Filer is not in default of any requirements under the Legislation.

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 cease to be a reporting issuer under the Legislation.

March 8, 2002.

"R. Stephen Paddon" "H. Lorne Morphy.Q.C."

2.1.11 Board of Trade of the City of Chicago - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - demutualization and restructuring of The Board of Trade of the City of Chicago, Inc. - issuer bid relief and prospectus and registration relief in connection with restructuring transactions, subject to first trade restrictions.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5., as am., ss. 25, 35(1)(12)(ii), 35(1)(13), 53, 72(1)(f)(ii), 72(1)(g), 74(1), 89(1), 93(3)(b), 93(3)(h), 104(2).

Applicable Ontario Rules

Rule 72-501 - Prospectus Exemption for First Trade Over a Market Outside Ontario (1998) 21 OSCB 2318

IN THE MATTER OF
THE SECURITIES LEGISLATION OF ONTARIO AND MANITOBA

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

AND IN THE MATTER OF
THE BOARD OF TRADE OF THE CITY OF CHICAGO, INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator ("Decision Maker") in each of Ontario and Manitoba (collectively, "**Jurisdictions**") has received an application from the Board of Trade of the City of Chicago, Inc. ("CBOT") for a decision under the securities legislation of the Jurisdictions ("Legislation") that:

(a) the requirements contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus ("**Registration and Prospectus Requirements**") shall not apply to trades in securities made in connection with the proposed Restructuring Transactions (as defined below); and

(b) the requirements contained in the Legislation relating to the delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, taking up and paying for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, bid financing, identical consideration and collateral benefits together with the requirement to file a reporting form within 10 days of an exempt issuer bid and pay a related fee ("**Issuer Bid Requirements**") shall not apply to trades in

securities made in connection with the proposed Restructuring Transactions.

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

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

1. The CBOT is one the world's leading exchanges for the trading of futures and options on futures contracts and dates back to 1848. In 1859, the Illinois General Assembly, by legislative act, granted a special charter to the CBOT.

2. In August 2000 the CBOT was reincorporated in Delaware and currently exists as a Delaware nonstock, not-for-profit corporation.

3. CBOT memberships generally confer rights to access floor trading at the CBOT's exchange facilities and provide an individual member with the opportunity to profit from such individual's trading on the floor of the exchange.

4. The CBOT proposes to implement certain restructuring transactions following member approval and satisfaction of certain other conditions designed to demutualize the CBOT, modernize its corporate governance structure and reorganize and restructure its electronic trading business ("**Restructuring Transactions**").

5. In addition to offering products traded on traditional open outcry markets, the CBOT also makes its products available for trading on an electronic trading system that it operates through its controlled subsidiary, Ceres Trading Limited Partnership ("**Ceres**").

6. Created by the CBOT in 1992, Ceres conducts certain electronic trading and related business activities. The CBOT's wholly-owned subsidiary, Electronic Chicago Board of Trade, Inc. ("**eCBOT**"), is currently the general partner of Ceres.

7. In addition to the general partner, Ceres has Class A and Class B limited partners. Except for a nominal number of limited partnership interests held by eCBOT, Class A limited partnership interests are generally held by individual CBOT members. Class B limited partnership interests are held by CBOT clearing member firms.

8. There are two CBOT members with mailing addresses in Canada: one full member with a mailing address in Ontario and one full member with a mailing address in Manitoba. In total, there are approximately 1400 full members, primarily in the United States. Each of the CBOT members with a mailing address in Canada also holds a Class A limited partnership interest in Ceres.

9. Due to the unique nature of the organizational relationship between the CBOT and Ceres, the Ceres limited partnerships are currently "stapled to" and only transferable with the associated CBOT memberships.

10. The demutualization of the CBOT will be accomplished by creating a stock, for-profit holding company, CBOT Holdings, Inc. ("**CBOT Holdings**"), and distributing shares as a dividend of common stock of CBOT Holdings ("**CBOT Holdings Shares**") to CBOT members.

11. The CBOT will be merged with a newly formed non-stock, for-profit subsidiary, ("**CBOT Merger Sub**") which will result in the CBOT being the surviving entity ("**Reorganization Merger**").

12. Upon completion of the Reorganization Merger, the CBOT will become a non-stock, for-profit corporation and a subsidiary of CBOT Holdings ("**New CBOT**").

13. Prior to initiating the Reorganization Merger, the CBOT Board of Directors ("**CBOT Board**") will declare a dividend of CBOT Holdings Shares that will be payable to each of the CBOT members immediately prior to the effectiveness of the Reorganization Merger.

14. In connection with the completion of the Reorganization Merger, each member of the CBOT will receive an appropriate number of CBOT Holdings Shares.

15. The number of CBOT Holdings Shares to be received by each CBOT member will be based upon the type of membership held in the CBOT and the allocation methodology developed and recommended by the CBOT Board's Independent Allocation Committee and approved by the CBOT Board.

16. Immediately after the completion of the restructuring transactions, the CBOT members will be the only common stockholders of CBOT Holdings.

17. Upon completion of the Reorganization Merger, the surviving entity ("**New CBOT**"), then a subsidiary of CBOT Holdings, will create three new classes of membership: Class A memberships, Class B memberships and Class C memberships (**"New CBOT Memberships"**).

18. CBOT Holdings will hold the sole Class A membership in the New CBOT, which will entitle CBOT Holdings to the exclusive right to vote on most matters requiring a vote of the members of the New CBOT, as well as the exclusive right to receive all distributions, dividends and proceeds upon liquidation from the New CBOT.

19. The Class B memberships will consist of five separate series: Series B-1, Series B-2, Series B-3, Series B-4 and Series B-5, with each series having associated with it trading rights and privileges that correspond to one of the current five classes of CBOT membership. Members of the CBOT will receive one of the five series of Class B memberships in the New CBOT in respect of each membership held by such member.

20. Each full member will also receive a Class C membership in the New CBOT, evidencing pre-existing rights, which will, subject to satisfaction of certain requirements, entitle the holder to become a member of the Chicago Board Options Exchange ("**CBOE**") without having to purchase a membership on such exchange. This right is set forth in the certificate of incorporation of the CBOE and is currently held by each full member of the CBOT.

21. As part of the reorganization of the CBOT's electronic trading business, a wholly-owned Delaware subsidiary of the New CBOT, Ceres Merger Sub, Inc. ("**Ceres Merger Sub**") will merge with and into Ceres, with Ceres as the surviving entity ("**Ceres Merger**").

22. Each of the two Canadian full members will receive: (i) 25,000 CBOT Holdings Shares; (ii) one Class B, Series B-1 membership in the New CBOT; and (iii) one Class C membership in the New CBOT.

23. Pursuant to the Ceres Merger, the limited partners of Ceres, other than eCBOT will receive a cash payment in exchange for their limited partnership interests ("**Ceres Limited Partnership Interests**") as determined by the board of directors of the CBOT and eCBOT. The CBOT has engaged Arthur Andersen LLP to determine the fair market value of Ceres and the Ceres Limited Partnership Interests and evaluate the fairness, from a financial point of view, to Ceres and each class of limited partners of the consideration to be issued in the Ceres Merger to each class of the Ceres limited partners.

24. The CBOT Holdings Shares will generally be subject to a complete restriction on transfer for the first 270 days following the date the CBOT Holdings Shares are issued. Thereafter, 15%, 25%, 25% and 35% of the CBOT Holdings Shares will be eligible for transfer on the date that is 270, 450, 630 and 810 days following the date the CBOT Holdings Shares are issued, respectively.

25. Notwithstanding these restrictions on transfer, stockholders may at any time transfer all, but not less than all, of the CBOT Holdings Shares associated with a Class B membership and, to the extent applicable, a Class C membership, in the New CBOT if all such Shares are transferred together with the associated Class B membership and, to the extent applicable, a Class C membership (for example, 25,000 CBOT Holdings Shares with one Series B-1, Class B membership and one Class C membership in the New CBOT).

26. Although Class B memberships in the New CBOT generally will not be subject to any transfer restrictions, the exercise of the trading rights and privileges associated with the Class B memberships will be subject to substantially the same application and approval process that currently applies to the CBOT membership candidates. Under that process, any adult, other than an employee of the New CBOT, of good character, reputation, financial responsibility and credit will be eligible to become a Class B member of, and exercise trading rights and privileges at, the New CBOT. Candidates will be reviewed to determine whether they meet applicable requirements in accordance with the rules and regulations of the New CBOT.

27. The Class C memberships in the New CBOT generally will also not be subject to any transfer restrictions. However, a holder of a Class C membership seeking to become a member of the CBOE must hold 25,000 CBOT Holdings Shares and one Series B-1, Class B membership in the New CBOT, along with such Class C membership, in each case subject to certain adjustments, in order to be eligible to become a member of the CBOE without having to purchase a membership on such exchange.

28. No market presently exists for CBOT Holdings Shares or the New CBOT Memberships but a market may develop following the expiration of any applicable restrictions on transfer. There are no current plans to list the CBOT Holdings Shares or the New CBOT Memberships on any stock exchange.

29. The completion of the Restructuring Transactions is subject to, among other things, approval of the members of the CBOT, the receipt of any approvals required by the U.S. Commodity Futures Trading Commission, receipt of a satisfactory private letter ruling from the U.S. Internal Revenue Service and/or an opinion of counsel concerning the tax-free status of the transactions.

30. All of the CBOT Holdings Shares to be issued in connection with the Restructuring Transactions will be registered with the Securities Exchange Commission ("**SEC**") under the U.S. Securities Act of 1933, as amended. A registration statement was initially filed by CBOT Holdings with the SEC on October 24, 2001 (as amended and supplemented "**Registration Statement**").

31. The Restructuring Transactions will be structured to comply with certain other state or "blue sky" regulatory requirements.

32. The CBOT will mail the U.S. proxy statement and U.S. prospectus which form part of the Registration Statement to all of the members, including the Canadian members, once the SEC has declared the Registration Statement effective. The U.S. proxy statement and U.S. prospectus will contain prospectus level disclosure about CBOT and eCBOT and the Restructuring Transactions.

33. A meeting of the members for the purpose of voting to approve the Restructuring Transactions will take place not less than 20 business days following the mailing of the U.S. proxy statement and U.S. prospectus.

34. CBOT Holdings and the New CBOT are not and do not intend to become reporting issuers or the equivalent in any of the Jurisdictions.

35. An exemption from the Registration and Prospectus Requirements and the Issuer Bid Requirements is not available in the Jurisdictions for all of the trades to be made in connection with the Restructuring Transactions.

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

(a) The Registration and Prospectus Requirements shall not apply to the trades and distributions in connection with the Restructuring Transactions provided that the first trades of CBOT Holdings Shares and New CBOT Memberships shall be a distribution unless:

  (i) at the time of the first trade, CBOT Holdings and the New CBOT are not reporting issuers under the Legislation of the Jurisdiction in which the trade is being made; and

  (ii) such first trade is executed in accordance with the transfer restrictions in the Registration Statement and with a purchaser resident outside of Canada or such first trade is made with a purchaser resident in Canada in reliance on an exemption from the Registration and Prospectus Requirements under Canadian securities law.

(b) The Issuer Bid Requirements shall not apply to the trades in connection with the Restructuring Transactions.

January 9, 2002.

“Paul Moore” “Robin Korthals”

2.2 Orders

2.2.1 Ronal Etherington and Create-A-Fund Incorporated - s.127

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

AND

IN THE MATTER OF
RONALD ETHERINGTON
AND CREATE-A-FUND INCORPORATED

ORDER
(Section 127)

WHEREAS on the 26th day of February, 2002, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of subsection 127(1) of the Securities Act, R.S.O. 1990, c.S.5, as amended (the "Act"), that all trading in securities by Ronald L. Etherington ("Etherington") and Create-a-fund Incorporated ("Create-a-fund") cease and that exemptions do not apply to these respondents (the "Temporary Order");

AND WHEREAS the Commission further ordered that pursuant to clause 6 of subsection 127(1) of the Act that the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission;

AND WHEREAS on February 26, 2002 the Commission issued a Notice of Hearing (the "Notice of Hearing") against Etherington and Create-a-fund pursuant to sections 127 and 127.1 of the Act scheduled for a hearing before the Commission on Friday, March 8, 2002;

AND WHEREAS the Commission has been advised that the Respondents were served on February 28, 2002 with the Temporary Order, the Notice of Hearing and the Statement of Allegations;

AND WHEREAS the Commission has been advised that Staff of the Commission ("Staff") and Respondents request an adjournment of the hearing, and that Staff and the Respondents consent to this Order extending the Temporary Order against the Respondents until this hearing is concluded, and adjourning this hearing sine die to be returnable on no less than seven days' notice (the "Consent");

AND WHEREAS the Consent has been filed in this proceeding;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

AND WHEREAS by authorization order made March 9, 2001, pursuant to subsection 3.5(3) of the Act, the Commission authorized each of David A. Brown, Howard Wetston and Paul M. Moore acting alone, to exercise the powers of the Commission, subject to subsection 3.5(4) of the Act, to grant adjournments, set dates for hearings, and to hear and determine procedural matters;

IT IS HEREBY ORDERED pursuant to section 127(7) of the Act that the Temporary Order is extended against the Respondents until this hearing is concluded;

IT IS FURTHER ORDERED that pursuant to section 21 of the Statutory Powers Procedure Act, R.S.O. 1990, c. S.22, as amended, this hearing is adjourned sine die, to be returnable on no less than seven days' notice.

March 7, 2002.

"Paul M. Moore"

2.2.2 HSBC Bank USA - s. 80

Headnote

Section 80 of the Commodity Futures Act-relief for Schedule III back from the requirement to register as an adviser where the performance of the service as an adviser is incidental to the principal banking business.

Statutes Cited

Commodity Futures Act. R.S.O. 1990, c.C20, as am., sections 22(1)(b), 80

IN THE MATTER OF
THE COMMODITIES FUTURES ACT,
R.S.O. 1990, CHAPTER S.20, AS AMENDED
(the "Act")

AND

IN THE MATTER OF
HSBC BANK USA

ORDER
(Section 80)

UPON application (the "Application") by HSBC Bank USA ("HBUS") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 80 of the Act exempting HBUS from the requirement to obtain registration as an adviser under clause 22(1)(b) of the Act in connection with the banking business to be carried on by HBUS in Ontario;

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

AND UPON HBUS having represented to the Commission that:

1. HBUS is a corporation duly organized and existing under the laws of the State of New York and is a validly existing banking organization under the banking laws of the State of New York. HBUS is a wholly-owned subsidiary and the principal banking subsidiary of HSBC USA Inc., an indirectly-held, wholly-owned subsidiary of HSBC Holding plc.

2. HBUS is the third largest depository institution and has the most extensive branch network in the State of New York, with more than 420 branches. It also has branches in Florida, Pennsylvania, California and Panama. In addition to its branch network, HBUS has the third largest factoring service in the United States of America and is the largest US bank-owned factor. It also conducts one of the world's largest precious metals operations and has also entered into Internet banking.

3. HSBC is not, and has no current intention of becoming, a reporting issuer in any province of Canada, nor are any of its securities listed on any stock exchange in Canada.

4. HBUS does not currently have a presence in Canada. An affiliate of HBUS, HSBC Bank Canada, currently provides retail banking, commercial lending and corporate treasury products in Canada. The full service branch of HBUS intends to leverage its AA credit rating to provide commercial lending services to corporate and institutional banking clients which have credit requirements that exceed the single name limit in Canada (an A credit rating). In addition, HBUS plans to engage in certain treasury related activities.

5. In June 1999, amendments to the *Bank* Act were proclaimed that permit foreign commercial banks to establish direct branches in Canada. These amendments have created a new Schedule III listing foreign banks permitted to carry on banking activities through branches in Canada.

6. In October, 2001, HBUS made an application (the "Bank Act Application") to the Office of the Superintendent of Financial Institutions Canada ("OSFI") for an order under the *Bank Act* permitting it to establish a full service branch under the *Bank Act* and designating it on Schedule III to the Bank Act.

7. Upon approval of the Bank Act Application, HSBC will establish and commence business as a foreign bank branch under the Bank Act. HSBC expects to receive all OSFI approvals on or before March 1, 2002.

8. HBUS will only be involved in wholesale deposit-taking, commercial lending and related treasury functions. The treasury function within HBUS also engages in derivatives advisory activities. HBUS will also be performing certain foreign exchange advisory services in connection with its principal banking business.

9. HBUS will only accept deposits from the following:

   (a) Her Majesty in right of Canada or in right of a province or territory, an agent of Her Majesty in either of those rights and includes a municipal or public body empowered to perform a function of government in Canada, or an entity controlled by Her Majesty in either of those rights;

   (b) the government of a foreign country or any political subdivision thereof, an agency of the government of a foreign country or any political subdivision thereof, or an entity that is controlled by the government of a foreign country or any political subdivision thereof;

   (c) an international agency of which Canada is a member, including an international agency that is a member of the World Bank Group, the Inter-American Development Bank, the Asian Development Bank, the Caribbean Development Bank and the European Bank for Reconstruction and Development and any other international regional bank;

   (d) a financial institution (i.e.: (a) a bank or an authorized foreign bank under the *Bank Act*; (b) a body corporate to which the *Trust and Loan*

Companies Act (Canada) applies, (c) an association to which the *Cooperative Credit Association Act* (Canada) applies, (d) an insurance company or a fraternal benefit society to which the *Insurance Companies Act* (Canada) applies, (e) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province or territory in Canada, (f) a cooperative credit society incorporated and regulated by or under an Act of the legislature of a province or territory in Canada; (g) an entity that is incorporated or formed by or under an Act of Parliament or of the legislature of a province or territory in Canada and that is primarily engaged in dealing in securities, including portfolio management and investment counseling, and is registered to act in such capacity under the applicable Legislation, and (h) a foreign institution that is (i) engaged in the banking, trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services, and (ii) is incorporated or formed otherwise than by or under an Act of Parliament or of the legislature of a province or territory in Canada);

(e) a pension fund sponsored by an employer for the benefit of its employees or employees of an affiliate that is registered and has total plan assets under administration of greater than $100 million;

(f) a mutual fund corporation that is regulated under an Act of the legislature of a province or territory in Canada or under the laws of any other jurisdiction and has total assets under administration of greater than $10 million;

(g) an entity (other than an individual) that has gross revenues on its own books and records of greater than $5 million as of the date of its most recent annual financial statements; or

(h) any other person if the trade is in a security which has an aggregate acquisition cost to the purchaser of greater than $150,000.

11. Section 31(a) of the Act refers to a "bank listed on Schedule I or II to the Bank Act" in connection with the exemption from *the* adviser registration requirement however no reference is made in the Act to entities listed on Schedule III of the Bank Act.

12. In order to ensure that HBUS, as an entity listed on Schedule III to the *Bank Act*, is able to provide banking services to businesses in Ontario it requires similar exemptions enjoyed by banking institutions incorporated under the *Bank Act* to the extent that the current exemptions applicable to such banking institutions are relevant to the banking business being undertaken by HBUS in Ontario.

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

IT IS RULED pursuant to section 80 of the Act that upon the making of an order under the Bank Act permitting HBUS to establish a branch listed on Schedule III of that Act, HBUS is exempt from the requirement of clause 22(1)(b) of the Act where the performance of the service as adviser is solely incidental to HBUS' principal banking business.

February 15, 2002.

"Paul M. Moore" "Stephen Paddon"

2.2.3 Motorcade Industries Limited - s. 83 of the Act, s. 1(6) of the OBCA

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer has five common shareholders and 569 holders of special shares, which have been called for redemption - issuer deemed to have ceased to be a reporting issuer.

Subsection 1(6) of the OBCA - issuer deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss.1(1), 6(3) and 83.

Business Corporations Act, R.S.O. 1990, c.B.16, as am., s.1(6).

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

AND

IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT, R.S.O. 1990,
CHAPTER B.16, AS AMENDED
(the "OBCA")

AND

IN THE MATTER OF
MOTORCADE INDUSTRIES LIMITED

ORDERS
(Section 83 of the Act)
(Section 1(6) of the OBCA)

UPON the application of Motorcade Industries Limited (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") for:

(i) an order, pursuant to section 83 of the Act, that the Applicant be deemed to have ceased to be a reporting issuer under the Act; and

(ii) an order, pursuant to subsection 1(6) of the OBCA, that the Applicant be deemed to have ceased to be offering its securities to the public under the OBCA;

AND UPON considering the application and the recommendation of staff of the Commission:

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is an Ontario corporation, which came into existence on January 1, 2002 as a result of the amalgamation (the "**Amalgamation**") under the OBCA of Motorcade Industries Limited ("**Motorcade**") and Winter Privatizing Corporation, an Ontario corporation. The Applicant's head office is located in Toronto, Ontario.

2. When Motorcade first issued securities to the public, its name was "Motorcade Stores Limited". Immediately prior to the Amalgamation, Motorcade was a reporting issuer under the Act and an offering corporation under the OBCA, and by virtue of the Amalgamation the Applicant has succeeded to each such status.

3. Neither Motorcade nor the Applicant is in default of any of the requirements of the Act. Motorcade was not, and the Applicant is not, a reporting issuer under any securities legislation other than the Act.

4. The Applicant does not intend to seek financing by way of an offering to the public.

5. Immediately prior to the Amalgamation, Motorcade had outstanding 558,409 common shares, of which 423,934 common shares were held by Winter Privatizing Corporation and 134,475 common shares were held by members of the public (collectively, the "**Minority Shareholders**"). None of the authorized but unissued shares in the capital of Motorcade were, and none of the authorized but unissued shares in the capital of the Applicant are, conditionally allotted, reserved or set aside for issuance or subject to issuance.

6. The Amalgamation was approved at a Special Meeting of the shareholders of Motorcade (the "**Special Meeting**") which was held on December 10, 2001, by unanimous vote of all of the shareholders of Motorcade, including those of the Minority Shareholders, who were present in person or represented by proxy at that meeting.

7. In accordance with the terms of the Amalgamation:

   (i) the common shares of Motorcade held by the Minority Shareholders became, on a share-for-share basis, non-voting, non-dividend bearing, redeemable, retractable Special Shares in the capital of the Applicant (collectively, the "**Special Shares**"), redeemable and retractable at the price of $9.50 per Special Share, and the share certificates representing those common shares became share certificates representing the same respective numbers of the Special Shares; and

   (ii) the outstanding common shares of Winter Privatizing Corporation became, on a share-for-share basis, common shares in the capital of the Applicant (the "**Common Shares**").

8. Accordingly, immediately following the time on January 1, 2002 that the Amalgamation became effective, the Applicant had outstanding:

(i) 134,475 Special Shares, redeemable and retractable at the price of $9.50 per Special Share, all held by the Minority Shareholders; and

(ii) 423,935 Common Shares.

9. There are five beneficial holders of the Common Shares. Each beneficial holder of Common Shares is aware of, understands the nature of, and has no objection to this application.

10. No securities of Motorcade or the Applicant are listed or traded on any exchange or market in Canada or elsewhere.

11. Computershare Trust Company of Canada (the "**Transfer Agent**") was the registrar and transfer agent of the common shares of Motorcade, and as such it has become the registrar and transfer agent of the Special Shares.

12. On December 10, 2001 Motorcade filed in accordance with the Act a Material Change Report disclosing that the Amalgamation had been approved at the Special Meeting; that the Amalgamation was intended to be effected on January 1, 2002; that as a term of the Amalgamation the shares of Motorcade held by the Minority Shareholders would automatically become Special Shares on a share-for-share basis; and that it was contemplated that such Special Shares would be called for redemption on January 2, 2002 at their cash redemption price of $9.50 each. Such Material Change Report can be accessed through the SEDAR system by any member of the public.

13. On January 2, 2002 the Special Shares were called for redemption and there was mailed to each registered holder of Special Shares a notice of redemption together with a letter of transmittal with instructions as to how to complete it and to return it to the Transfer Agent, as well as a return envelope addressed to the Transfer Agent. As a result of such calling for redemption, the only right which a holder of Special Shares now has is to receive the sum of $9.50 for each Special Share held by that holder, upon the surrender to the Transfer Agent of the share certificates representing the holder's Special Shares.

14. The Applicant and the Transfer Agent are unaware of the current addresses of 441 of the Minority Shareholders (the "**Lost Shareholders**"), and at least five previous mailings to them have been returned. Such mailings included the material mailed to shareholders in respect of the meeting held on December 10, 2001 and the notice of redemption of the Special Shares.

15. In an effort to contact Lost Shareholders, the Applicant placed a display advertisement in the national editions of both the Globe & Mail and the National Post, informing shareholders of their right to receive $9.50 for each share of Motorcade and requesting them to contact the Applicant. As a result of such advertisements, one Lost Shareholder, holding 50 Special Shares, whose address had been unknown, made contact with the Applicant.

16. In a further effort to make contact with the Lost Shareholders, the Applicant has retained Georgeson Shareholder to attempt to do so. Georgeson Shareholder is an international company (with offices in New York, London, Paris, Rome, Toronto, Calgary, Sydney and Johannesburg) specializing in making contact with shareholders. It typically is retained in proxy contests and takeover bids, but has a programme specifically designed to identify and make contact with shareholders in cases such as this, where their current addresses are unknown to the issuer.

17. Holders of 29,681 Special Shares have surrendered their share certificates and been paid the redemption price of $9.50 for each of such Special Shares.

18. There remain 104,794 Special Shares outstanding held by 569 holders.

19. The Applicant has sufficient funds to pay the redemption price of $9.50 per Special Share for all of the Special Shares outstanding. The Applicant will pay the redemption price of $9.50 per Special Share promptly following the respective times that the share certificates representing those Special Shares are surrendered to the Transfer Agent for that purpose.

20. Holders of the Special Shares have no legal rights other than the right to surrender their share certificates and receive the redemption price of $9.50 per Special Share from the Applicant.

21. Other than the Special Shares and the Common Shares, the Applicant has no securities, including debt securities, outstanding.

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

IT IS ORDERED, pursuant to section 83 of the Act, that the Applicant be deemed to have ceased to be a reporting issuer under the Act;

AND IT IS FURTHER ORDERED, pursuant to subsection 1(6) of the OBCA, that the Applicant be deemed to have ceased to be offering its securities to the public for the purposes of the OBCA.

March 8, 2002.

"Paul Moore" "Theresa McLeod"

2.2.4 Urbanfund Corp. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - Issuer deemed a reporting issuer in Ontario - Issuer has been a reporting issuer in Alberta and British Columbia since October 14, 1998 - Issuer not designated as a capital pool company by CDNX - Continuous disclosure requirements of British Columbia and Alberta substantially the same as those of 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
URBANFUND CORP.

ORDER
(Section 83.1(1))

UPON the application of Urbanfund Corp. (the "Corporation") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 83.1(1) of the Act deeming the Corporation 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 Commission;

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

1. The Corporation is a corporation incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta). The principal place of business of the Corporation is 300 Alden Road, Markham, Ontario, L3R 4C1. The registered office is Suite 1400, 350-7th Avenue, S.W. Calgary, Alberta, P2P 3N9.

2. The Corporation's common shares (the "Common shares") are listed and posted for trading on The Canadian Venture Exchange ("CDNX"), and the Corporation has the status of reporting issuer in the Provinces of British Columbia and Alberta. The Corporation became a reporting issuer in Alberta and British Columbia on October 14, 1998.

3. The Corporation is not designated as a capital pool company by CDNX.

4. The Corporation is not on the lists of defaulting reporting issuers maintained pursuant to section 113 of the *Securities Act* (Alberta) (the "Alberta Act") or section 77 of the *Securities Act* (British Columbia) (the "B.C. Act"). To the best knowledge of management of the Corporation, the Corporation has not been the subject of any enforcement actions by the Alberta and British Columbia Securities Commissions or by CDNX, and the Corporation is not in default of any requirement of the B.C. Act, the Alberta Act, or any of the regulations thereunder.

5. The Corporation is not a reporting issuer in Ontario, and is not a reporting issuer, or equivalent, in any jurisdiction other than British Columbia and Alberta.

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

7. The continuous disclosure materials filed by the Corporation as a reporting issuer in the provinces of Alberta and British Columbia since January 9, 1998 are available on the System for Electronic Document Analysis and Retrieval.

8. The authorized capital of the Corporation consists of an unlimited number of Common Shares of which 10,200,000 shares are issued and outstanding, and an unlimited number of First Preferred Shares issuable in series of which 11,000,000 First Preferred Class A Shares are issued and outstanding, all as of December 31, 2001.

9. The Corporation has a significant connection to Ontario in that: (i) the "mind and management" of the Corporation is located in Ontario at its principal place of business at 300 Alden Road, Markham, Ontario; and (ii) of the 10,200,000 Common Shares issued and outstanding, no less than 6,300,000, representing at least 61.8% of the issued and outstanding Common Shares, are owned by Ontario residents who are also insiders.

10. There have been no penalties or sanctions imposed against the Corporation by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, and the Corporation has not entered into any settlement agreement with any Canadian securities regulatory authority.

11. Neither the Corporation nor any of its directors, officers nor, to the knowledge of the Corporation, its directors and officers, or any of its 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.

12. Neither the Corporation nor any of its directors, officers nor, to the knowledge of the Corporation, its directors and officers, or any of its controlling shareholders, is or has been subject to: (i) any known ongoing or concluded investigations by: (a) a Canadian securities regulatory authority, or (b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a

reasonable investor making an investment decision; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

13. None of the directors or officers of the Corporation, nor to the knowledge of the Corporation, its directors and officers, or any of its controlling shareholders, is or has been at the time of such event a director or officer of any other issuer which is or has been subject to: (i) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

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

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that the Corporation be deemed to be a reporting issuer for the purposes of Ontario securities law.

March 6, 2002.

"Iva Vranic"

2.2.5 How To WebTV Inc. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - issuer deemed to be a reporting issuer in Ontario - issuer has been a reporting issuer in Alberta since 1998 - issuer listed and posted for trading on the Canadian Venture Exchange - continuous disclosure requirements of Alberta and British Columbia substantially identical to those of 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. CHAPTER S.5, AS AMENDED
(the "Act")

AND

IN THE MATTER OF
HOW TO WEB TV INC.

ORDER
(Subsection 83.1(1))

UPON the application (the "**Application**") of How To Web TV Inc. ("**HOW TO**" or the "**Corporation**") for an order pursuant to subsection 83.1(1) of the Act deeming HOW TO a reporting issuer for the purposes of Ontario securities law;

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

AND UPON HOW TO representing to the Commission that:

1. HOW TO was incorporated as 705475 Alberta Ltd. on August 7, 1996 pursuant to the provisions of the *Business Corporations Act* (Alberta). On January 20, 1997, the Corporation amended its articles to change the authorized capital, remove the private company restrictions and change its name to Mezuma Inc. Effective January 25, 2001, the Corporation acquired all the issued and outstanding shares of How To Web Site Inc. pursuant to a reverse takeover. On January 19, 2001 the Corporation changed its name to How To Web TV Inc. On September 28, 2001, How To Web Site Inc. and the Corporation were amalgamated under the corporate name of HOW TO.

2. The head office of HOW TO is located at 330, 550 Queen Street East, Toronto, Ontario, M5A 1V2. The address of HOW TO's registered office is 1200, 700 - 2nd Street SW, Calgary, Alberta, T2P 4V5.

3. HOW TO has been a reporting issuer under: (i) the *Securities Act* (Alberta) (the "**Alberta Act**") since October 2, 1998 when pursuant to the provisions of the Alberta Act, receipt for a final prospectus was issued; and (ii) the *Securities Act* (British Columbia) (the "**BC**

Act") since November 26, 1999 as a result of the merger between the Alberta Stock Exchange and the Vancouver Stock Exchange that created the Canadian Venture Exchange (the "**CDNX**").

4. HOW TO is not on the list of defaulting reporting issuers maintained pursuant to the Alberta Act or the BC Act, nor is it in default of any requirements under the Alberta Act or the BC Act.

5. On December 22, 1998, HOW TO's common shares were listed and posted for trading on the CDNX under the trading symbol "HOW". HOW TO is in compliance with all of the requirements of the CDNX.

6. HOW TO has a "significant connection" to Ontario as defined by Policy 1.1 of the CDNX Corporate Finance Manual, by virtue of the fact that: (i) approximately 78% of the issued and outstanding shares of HOW TO are registered in the names of shareholders having a registered address in Ontario; and (ii) three of the six directors and officers are resident in Ontario.

7. The continuous disclosure requirements under the Alberta Act and the BC Act are substantially the same as the requirements under the Act.

8. HOW TO is not a reporting issuer in Ontario, and is not a reporting issuer, or equivalent, in any other jurisdiction other than Alberta and British Columbia.

9. The authorized capital of HOW TO consists of unlimited common shares and unlimited preferred shares without par or nominal value of which 14,938,552 common shares are issued and outstanding.

10. As of the quarter end for September 30, 2001 there were no outstanding warrants and 1,374,650 outstanding options.

11. The continuous disclosure materials filed by HOW TO under the Alberta Act are available on the System for Electronic Document Analysis and Retrieval. Between January 25, 2001, the effective date of the reverse takeover by Mezuma Inc. (now HOW TO), and February 14, 2001 when the transaction was approved by the CDNX, continuous disclosure materials continued to be filed under Mezuma Inc. However, disclosure materials since that date have been filed under HOW TO.

12. There have been no penalties or sanctions imposed against HOW TO by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, and HOW TO has not entered into any settlement agreement with any Canadian securities regulatory authority.

13. Neither HOW TO nor any of its directors, officers nor, to the knowledge of HOW TO or its directors and officers, any of its 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 authority that would likely be considered important to a reasonable investor making an investment decision.

14. Neither HOW TO nor any of its directors, officers nor, to the knowledge of HOW TO, its directors and officers, any of its controlling shareholders, is or has been subject to:

    (i) any known ongoing or concluded investigations by:

        (a) a Canadian securities regulatory authority, or

        (b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or

    (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

15. None of the directors or officers of HOW TO, nor to the knowledge of HOW TO, its directors and officers, any of its controlling shareholders, is or has been at the time of such event a director or officer of any other issuer which is or has been subject to:

    (i) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or

    (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

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 HOW TO be deemed a reporting issuer for the purposes of the Act.

March 12, 2002.

"Iva Vranic"

2.2.6 State Street Global Securities Lending Canadian Fund A - s. 147

Headnote

Waiver of fees applicable to exempt distributions of securities of mutual fund where such distribution is made (i) to certain pooled funds and non-redeemable investment funds, so there is no duplication of fees, and (ii) to other entities provided that fee paid annually on net sales during that year.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am. 147.

Rules Cited

OSC Rule 45-501 - Exempt Distributions, 2.2, 2.13 and 7.3.
OSC Rule 81-102 - Mutual Funds.

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

AND

IN THE MATTER OF
STATE STREET GLOBAL SECURITIES LENDING
CANADIAN FUND A

ORDER
(Section 147)

UPON the application of State Street Trust Company Canada (the "**Trustee**"), trustee of the State Street Global Securities Lending Canadian Fund A and certain other funds to be established (each a "**Fund**" and collectively, the "**Funds**"), for an order by the Ontario Securities Commission (the "**Commission**") under section 147 of the Securities Act (Ontario) (the "**Act**") that the fees required to be paid by the Funds with respect to the distribution of securities of the Funds on a prospectus-exempt basis pursuant to Rule 45-501 Exempt Distributions ("**Rule 45-501**") either (i) be waived to avoid the payment of duplicate fees or (ii) be based on the applicable percentage of net sales in Ontario from such distribution of securities of the Funds, being the rate applicable to money market funds, rather than based on the applicable percentage of the aggregate gross proceeds realized in Ontario from the distribution of securities of the Funds.

AND UPON it having been represented by the Trustee to the Commission that:

1. The Trustee is a federally-regulated trust company having its head office in Toronto, Ontario and will act as trustee of the Funds.

2. Portfolio management services for the Funds will be provided by State Street Global Advisors, Ltd. ("**SSGA**"), an affiliate of the Trustee. SSGA is a corporation incorporated under the laws of Canada having its head office in Montreal, Quebec and is registered as an adviser in the categories of investment counsel and portfolio manager and as a dealer in the category of limited market dealer under the Act.

3. Each Fund will be a unit trust governed by the laws of the Province of Ontario.

4. Trades of units of a Fund to investors resident in Ontario will be made in reliance on the exemption for trades to an accredited investor pursuant to section 2.3 of Rule 45-501 or in reliance upon the exemption provided by section 2.12 of that Rule, among other exemptions.

5. The first Fund to be established (the "**Initial Fund**") will not be a money market fund within the meaning of National Instrument 81-102 - Mutual Funds because such Fund will have a portfolio with a dollar-weighted average term to maturity exceeding 90 days, among other things. Other Funds to be established in the future will be money market funds as so defined or will have investment objectives and restrictions substantially similar to those of the Initial Fund.

6. All investors (the "**Investors**") in the Funds will be Canadian entities that engage in securities lending using State Street Bank and Trust Company ("**State Street Bank**"), a bank existing under the laws of The Commonwealth of Massachusetts, or an affiliate of State Street Bank, as securities lending agent and will generally be pension funds, endowment funds, investment funds whose securities are sold on a prospectus-exempt basis (collectively, the "**pooled funds**"), non-redeemable investment funds or other similar vehicles. Securities lending arrangements for the Investors, when lending against cash collateral, will be such that each will receive cash collateral (the "**Cash Collateral**"), generally equal to 102% or 105% (as applicable) of the value of the securities loaned to third parties under these arrangements, marked to market on a daily basis. The Investors will be permitted under these arrangements to invest the Cash Collateral that they receive, and the return that the Investors receive in consideration for their securities lending activities will generally be based on the return that these entities are able to achieve by so investing the Cash Collateral.

7. The Funds are being established as investment vehicles for the Cash Collateral of Investors, thereby providing Investors with the benefits associated with a collective investment vehicle.

8. Securities loaned by an Investor will be marked to market each business day, and adjustments made to the Cash Collateral as appropriate. In addition, most securities lending transactions are of a short term nature, and typically provide the borrower with the right to return, and the lender the right to demand the return, of the securities borrowed at any time. As a result, the Funds will likely be subject to daily subscriptions and redemptions by each Investor in the Funds.

9. Annually, pooled funds and non-redeemable investment funds are required to pay filing fees to the Commission

in respect of the distribution of their units in Ontario pursuant to section 7.3 of Rule 45-501.

10. Annually, the Funds are or will be required to pay filing fees to the Commission in respect of the distribution of their units in Ontario (including units issued to pooled funds or non-redeemable investment funds) pursuant to section 7.3 of Rule 45-501.

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

IT IS ORDERED that, pursuant to section 147 of the Act, the payment of fees required under section 7.3 of Rule 45-501 that would otherwise be applicable to a distribution of securities of a Fund shall not be applicable provided that**:**

1. such distribution of securities of a Fund is made to a pooled fund or a non-redeemable investment fund; or

2. if the distribution of securities of a Fund is made to an entity other than a pooled fund or a non-redeemable investment fund, the following conditions are satisfied:

   (a) securities of each Fund are issued only in reliance on exemptions from the prospectus requirement of section 53 of the Act;

   (b) each Fund limits subscriptions to the investment of Cash Collateral received by Investors from borrowers under securities lending arrangements in which State Street Bank (or an affiliate) is acting as securities lending agent;

   (c) each Fund pays a fee within 30 days after the financial year end of the Fund; and

   (d) the fee payable by each Fund is equal to the greater of: $100 and 0.02% of the net sales in Ontario from the distribution of securities of the Fund in such financial year (less any applicable discount), where net sales is the amount calculated by the following formula:

   X-Y

   where

   "X" is the aggregate gross proceeds realized in Ontario from distributions of securities of the Fund during the financial year in reliance on exemptions from the prospectus requirement of section 53 of the Act, and

   "Y" is the aggregate of the redemption and repurchase prices paid to redeem or repurchase securities of the Fund held by persons in Ontario during the financial year.

March 8, 2002.

"Paul M. Moore" "Theresa McLeod"

2.2.7 Alexander Dolgonos et al. - Temporary Order s. 127(1)

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

AND

IN THE MATTER OF
ALEXANDER DOLGONOS, THE ALEXANDER DOLGONOS SPOUSAL TRUST, TINA LIVCHITS, THE TINA LIVCHITS SPOUSAL TRUST, AYZIK DOLGONOS, THE AYZIK DOLGONOS SPOUSAL TRUST, KALINA DOLGONOS, THE KALINA DOLGONOS SPOUSAL TRUST, STEPHEN ROSEN, ALTHEA STEWART, THE ALTHEA STEWART SPOUSAL TRUST, ARON DAVID TRUSS, T.A. HOLDINGS INC., GERALD McGOEY AND THE JOLIAN TRUST

TEMPORARY ORDER (section 127(1))

WHEREAS IT APPEARS to the Ontario Securities Commission (the "Commission") that:

1. Unique Broadband Systems, Inc. ("UBS") is a reporting issuer in Ontario. Its shares are listed and posted for trading on CDNX.

2. Staff of the Commission ("Staff") are conducting an investigation into the affairs of UBS, including transactions involving the persons and companies described in paragraphs 3 to 17 (collectively, the "Dolgonos Group").

3. Alexander Dolgonos is the founder of UBS, and was, until July, 2001, the President, Chief Executive Officer and Chairman of the Board of UBS. As of the date of this order, Alexander Dolgonos is a director of UBS.

4. The Alexander Dolgonos Spousal Trust is a Barbados trust which holds UBS shares. Staff's investigation has not revealed the beneficial owner of the Alexander Dolgonos Spousal Trust.

5. Tina Livchits is Alexander Dolgonos' spouse and a former employee of UBS. Tina Livchits is the sole beneficiary of the Tina Livchits Spousal Trust.

6. The Tina Livchits Spousal Trust is a Barbados trust settled by Alexander Dolgonos; Tina Livchits is the sole beneficiary.

7. Ayzik Dolgonos is Alexander Dolgonos' father and a former employee of UBS.

8. The Ayzik Dolgonos Spousal Trust has or had three trading accounts in which it holds UBS shares. Staff's investigation has not revealed the beneficial owner of the Ayzik Dolgonos Spousal Trust.

9. Kalina Dolgonos is Alexander Dolgonos' mother, Ayzik Dolgonos' spouse and a former employee of UBS.

Kalina Dolgonos is the sole beneficiary of the Kalina Dolgonos Spousal Trust.

10. The Kalina Dolgonos Spousal Trust is a Barbados trust settled by Ayzik Dolgonos; Kalina Dolgonos is the sole beneficiary.

11. Stephen Rosen was, until July, 2001, the Vice-President, Chief Financial Officer and a director of UBS.

12. Althea Stewart is Stephen Rosen's spouse and the sole beneficiary of the Althea Stewart Spousal Trust.

13. The Althea Stewart Spousal Trust is a Barbados trust settled by Stephen Rosen; Althea Stewart is the sole beneficiary.

14. Aron David Truss is a resident of Barbados and the Trustee of each of the Tina Livchits Spousal Trust, the Kalina Dolgonos Spousal Trust and the Althea Stewart Spousal Trust. Aron David Truss is a director of T.A. Holdings Inc.

15. T.A. Holdings Inc. is a Barbados company which was incorporated on December 5, 2001. Aron David Truss is the sole director of T.A. Holdings Inc.

16. Gerald McGoey is the President of Jolian Investments Limited and a trustee of the Jolian Trust.

17. The beneficiaries of the Jolian Trust are the children of Gerald McGoey.

18. Each of the members of the Dolgonos Group have had, or continue to have, direct ownership and/or control or direction over significant blocks of UBS shares.

19. While insiders of UBS, Alexander Dolgonos, Tina Livchits, the Tina Livchits Spousal Trust, Stephen Rosen, Aron David Truss and T.A. Holdings Inc., failed to file insider reports in a timely fashion, and/or filed misleading and untrue insider reports, contrary to section 107 of the *Securities Act,* R.S.O. 1990, c. S.5 (the "Act").

20. Alexander Dolgonos, the Tina Livchits Spousal Trust, and Aron David Truss failed to issue and file early warning news releases containing the information prescribed by regulations, and failed to file early warning reports within two business days or at all, contrary to section 101 of the Act.

21. In addition to failing to file early warning reports within the time required, and failing to issue and file early warning news releases at all, in contravention of section 101 of the Act, T.A. Holdings Inc. acquired shares in UBS in contravention of subsection 101(3) of the Act.

22. A preliminary prospectus dated May 5, 2000 and a prospectus dated June 13, 2000, both signed by Alexander Dolgonos and Stephen Rosen, failed to provide full, true and plain disclosure of the nature of their holdings of UBS shares, contrary to section 56 of the Act.

23. On November 19, 1999, cease trade orders were issued in respect of UBS shares by the British Columbia Securities Commission against Alexander Dolgonos and Stephen Rosen for failure to file insider reports. The cease trade orders were revoked on November 24, 1999.

24. In failing to fulfil their disclosure obligations under sections 56, 101 and 107 of the Act, as set out at paragraphs 19 to 22, members of the Dolgonos Group failed to ensure that the market was and is apprised of accumulations and transfers of significant blocks of UBS shares, and have acted contrary to the public interest.

25. The members of the Dolgonos Group, including those not specifically named in paragraphs 19 to 24, have authorized, participated, permitted or acquiesced in the conduct described above.

26. The members of the Dolgonos Group have breached Ontario securities law and have acted contrary to the public interest.

27. Particularly in light of the late, misleading and untrue disclosure described above, further investigation is required to determine the nature of the accumulations and transfers, and to ascertain whether the members of the Dolgonos Group have engaged in further conduct which may cause continuing harm to investors, breach Ontario securities law and be contrary to the public interest.

Pursuant to section 127(5) of the Act, the Commission is of the opinion that the length of time required for a hearing could be prejudicial to the public interest;

AND WHEREAS by Commission Order made March 9, 2001, pursuant to section 3.5(3) of the Act, any one of David A. Brown, Howard I. Wetston or Paul M. Moore, acting alone, is authorized to make orders under section 127 of the Act;

IT IS THEREFORE ORDERED pursuant to clause 2 of section 127(1) of the Act that trading in any securities of UBS by Alexander Dolgonos, the Alexander Dolgonos Spousal Trust, Tina Livchits, the Tina Livchits Spousal Trust, Ayzik Dolgonos, the Ayzik Dolgonos Spousal Trust, Kalina Dolgonos, the Kalina Dolgonos Spousal Trust, Stephen Rosen, Althea Stewart, the Althea Stewart Spousal Trust, Aron David Truss, T.A. Holdings Inc., Gerald McGoey and the Jolian Trust, cease; and

IT IS FURTHER ORDERED that pursuant to section 127(6) of the Act the aforesaid order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission.

March 11, 2002.

"David Brown"

2.2.8 Marketvision Direct, Inc. - s. 144

Headnote

Section 144 - revocation of cease trade order upon remedying of default, updating of public disclosure record and mailing of disclosure information, together with outstanding financial statements, to shareholders.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5 as am., ss.127, ss.144.

Notices Cited

Ontario Securities Commission Notice 35 - Revocation of Cease Trade Orders (1995) 18 OSCB 5.

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

AND

IN THE MATTER OF
MARKETVISION DIRECT, INC.

O R D E R
(Section 144)

WHEREAS the securities of Marketvision Direct, Inc. (the "Applicant") are subject to a cease trade order issued by the Commission on December 17 , 2001 (the "Cease Trade Order") which order extended a temporary cease trade order made on December 5, 2001;

AND WHEREAS the Applicant has applied to the Commission pursuant to section 144 of the Act (the "Application") for a revocation of the Cease Trade Order;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is constituted under the laws of the State of Delaware by Articles of Merger dated July 21, 1998 merging ViaTV Marketing Corporation ("ViaTV") and Marketvision Direct, Inc.

2. ViaTV was incorporated by Certificate of Incorporation under the laws of the State of Delaware dated July 25, 1995 and filed Articles of Merger on October 6, 1995 merging ViaTV with Video Tape Magazines, Inc.

3. ViaTV became a reporting issuer in the Province of Alberta on December 4, 1996 by virtue of obtaining a receipt for a final prospectus. ViaTV listed on the Exchange on December 31, 1996.

4. Marketvision Direct, Inc. was incorporated as "Market Tele, Inc." pursuant to the laws of the commonwealth of Massachusetts on January 13, 1995 and filed Articles of Amendment to change its names to International Marketvision Inc. on October 19, 1995 and subsequently changed its name to Marketvision Direct, Inc. on November 2, 1995.

5. Pursuant to a plan of reorganization dated May 28, 1998, Marketvision Direct, Inc, merged with ViaTV to form the Applicant.

6. The registered office of the Applicant is registered at 1209 Orange Street, Wilmington Delaware. The head office of the Applicant is located at 2212-130 Adelaide Street West, Toronto, Ontario, M5H 3P5.

7. The Applicant is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan and Ontario. The Applicant became a reporting issuer in Ontario on or about January 28, 2000 by virtue of a receipt for a final prospectus dated January 26, 2000.

8. Except for the Cease Trade Order, the Applicant has not been subject to any previous cease trade orders issued by the Commission.

9. Except for the Cease Trade Order, the Applicant is not in default of any of the requirements of the Act or the rules and regulations made thereunder (collectively, the "Requirements").

10. The Applicant is not currently subject to any cease trade orders in any other jurisdictions.

11. The Applicant's shares are listed on the Canadian Venture Exchange but trading in such shares has been suspended as a result of the Cease Trade Order. The Applicant intends to apply for this suspension to be lifted as soon as the Cease Trade Order is revoked.

12. Since the summer of 1999, the Applicant has been in the business of investing in and acquiring seed stage technology companies. The Applicant currently has assets, net of liabilities, with net realizable value in excess of $400,000 USD.

13. The annual audited financial statements of the Applicant for the year ended June 30, 2001, along with its interim unaudited financial statements for the period ended September 30, 2001 (collectively "the Financial Statements") were filed with the Commission on or about January 25, 2002, within 68 days from the original filing deadline.

14. The Applicant has undertaken to the Commission that it will review its internal policies and procedures relating to its continuous disclosure obligations to ensure that it will in the future comply with the Requirements.

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

16. The Applicant has undertaken to the Commission that, in the event the Applicant convenes a meeting of shareholders within 12 months of the date of this Order to consider and approve any transaction described in the previous paragraph, the Applicant will deliver to the

Commission a copy of the information circular relating to such meeting not less than 20 days prior to the date such information circular is delivered to the shareholders.

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

AND UPON the undersigned Manager being satisfied that the Applicant has now complied with the continuous disclosure requirements under Part XVIII of the Act and has remedied its default in respect of such requirements;

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Cease Trade Order is
hereby revoked.

March 11, 2002.

"John Hughes"

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
Admiral Inc.	22 Feb 02	06 Mar 02	06 Mar 02	
Applause Corporation	08 Mar 02	20 Mar 02		
DMR Resources Ltd.	25 Feb 02	08 Mar 02	08 Mar 02	
Empire Alliance Properties Inc.	11 Mar 02	22 Mar 02		
Faxmate.Com Inc.	11 Mar 02	22 Mar 02		
MacMillan Gold Corp.	12 Mar 02	22 Mar 02		
Nevada Bob's Golf Inc.	08 Mar 02	20 Mar 02		
Peachtree Network Inc.	25 Feb 02	08 Mar 02	08 Mar 02	
TMI-Learnix Inc.	08 Mar 02	20 Mar 02		
Travelbyus.Com Ltd.	27 Feb 02	11 Mar 02	11 Mar 02	
Trinexus Holdings Ltd.	27 Feb 02	11 Mar 02	11 Mar 02	
Vision Global Solutions Inc.	08 Mar 02	20 Mar 02		

4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Allnet Secom Inc.	26 Feb 02	11 Mar 02		12 Mar 02	

4.3.1 Lapsed Cease Trading Orders

Company Name	Date of Lapse/Expire
Photochannel Networks Inc.	13 Mar 02

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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 and other parties relying on exemptions that they are responsible for the completeness, accuracy, and timely filing of Forms 45-501F1 and 45-501F2, and any other relevant form, pursuant to section 72 of the *Securities Act* and OSC Rule 45-501 ("Exempt Distributions").

Reports of Trades Submitted on Form 45-501F1

Trans. Date	Purchaser	Security	Price ($)	Amount
19Feb02 & 25Feb02	Eden, Debbie Ludolph & Patrick, Lisa	Abria Diversified Arbitrate Trust - Units	50,000	309
19Feb02	Canada Life Assurance Co.	Anadarko Petroleum Corporation - Notes	$3,162,915	$3,162,915
15Feb02	4 Purchasers	Arrow Goodwood Fund - Units	173,750	16,391
15Feb02 & 22Feb02	3 Purchasers	Arrow WF Asia Fund - Class A Trust Units	150,000	12,719
26Oct 01	MDS Capital Corp.	Avalon Pharmaceuticals, Inc. - Series B Convertible Preferred Stock	7,690,000	1,417,394
01Feb02	James Bay Cree Naskapi	Bank of Ireland Asset Management Limited - Units	10,600,000	999,274
08Feb02	Queen's University Endowment Fund	Bank of Ireland Asset Management Limited - Units	527,563	50,033
21Feb02	3 Purchasers	Bema Gold Corporation - Flow-Through Common Shares	145,000	223,077
01Feb02	Vona, Lucy	BPI American Opportunities Fund - Units	25,000	209
01Feb02	Williams, Brian and Cockburn, Evelyn	BPI Global Opportunities III Fund - Units	165,339	1,758
25Jan02	3 Purchasers	BPI Global Opportunities Fund - Units	385,624	4,090
01Oct01 to 31Dec01		Brinson Canada Government of Canada Money Market Fund - Pooled Fund Units	896,216	89,622
01Oct01 to 31Dec01		Brinson Canada American Equity Fund - Pooled Fund Units	63,225,327	4,041,099

Trans. Date	Purchaser	Security	Price ($)	Amount
01Oct01 to 31Dec01		Brinson Canada Global Bond Fund - Pooled Fund Units	575,882	54,173
01Oct01 to 31Dec01		Brinson Canada Global Equity Fund - Pooled Fund Units	2,072,235	162,102
01Oct01 to 31Dec01		Brinson Canada Small Capitalization Fund - Pooled Fund Units	1,733,881	116,064
01Oct01 to 31Dec01		Brinson Canada U.S. Equity Growth Fund - Pooled Fund Units	154,387,707	2,287,047
01Oct01 to 31Dec01		Brinson Canada U.S. Equity Value Fund - Pooled Fund Units	3,204,000	64,865
01Oct01 to 31Dec01		Brinson Canada Money Market Fund - Pooled Fund Units	106,982,876	10,698,288
01Oct01 to 31Dec01		Brinson Canada Conventional Mortgage Fund - Pooled Fund Units	2,920,063	344,656
01Oct01 to 31Dec01		Brinson Canada Bond Fund - Pooled Fund Units	149,269,459	17,063,408
01Oct01 to 31Dec01		Brinson Canada Diversified Fund - Pooled Fund Units	232,434,721	14,621,721
01Oct01 to 31Dec01		Brinson Canada, Canada Plus Equity Fund - Pooled Fund Units	27,677,760	1,846,796
01Oct01 to 31Dec01		Brinson Canada Canadian Equity Fund - Pooled Fund Units	9,193,993	1,095,954
01Oct01 to 31Dec01		Brinson Canada Canadian Equity Fund - Pooled Fund Units	197,280,042	2,184,470
01Oct01 to 31Dec01		Brinson Canada Balanced Capped Fund - Pooled Fund Units	516,294	56756
01Oct01 to 31Dec01		Brisons Canada Emerging Technologies Fund - Pooled Fund Units	553,351	96,420
01Oct01 to 31Dec01		Brinson Canadian Income Fund - Pooled Fund Units	296,305	29,500
01Oct01 to 31Dec01		Brinson International Equity Fund - Pooled Fund Units	66,234,668	1,420,145
18Feb02	CPOT Holdings Corp.	Capital D'Amerique CDPQ Inc. - Rights	73,872	73,872

Trans. Date	Purchaser	Security	Price ($)	Amount
18Feb02	CPOT Holdings Corp.	Chapais Electrique Limitee - Class B Preferred Shares	870,329	105
14Feb02	Royal Bank of Canada	Collins & Aikman Floorcoverings, Inc. - Senior Subordinated Notes	$398,175	$398,175
18Dec01 to 15Feb02	30 Purchasers	Crush Enterprises Inc. - Units	465,465	465
22Feb02	DALSA Corporation and Zarlink Semiconductor Inc.	DALSA Semiconductor Inc. - Common Shares	27,107,799	999,999
12Feb02		Fisher Scientific International Inc. - Common Stock	864,216	20,000
20Feb02	RBC Global Investment and Mackenzie Financial Corp.	Geomaque Exploration Ltd. - Common Shares	735,916	14,718,323
22Feb02	Burgundy Asset Management Ltd.	Glacier Ventures International Corp. - Common Shares	2,255,000	2050,000
11Feb02	Simpson, Don	Goldsat Mining Inc. - Common Shares	10,000	100,000
14Feb02	Royal Bank of Canada and Bank of Montreal	Graphic Packing Corporation - Senior Subordinated Notes	$1,990,875	$1,990,875
20Feb02	Marler, Jonathan H.	Great Lakes Nickel Limited - Shares	25,113	156,959
22Feb02	Lawrence, Richard J. and Bill, Conor S.	High Income Principal Assured Yield Securities Corporation - Class A Shares	500	500
20Feb02	19 Purchasers	High River Gold Mines Ltd. - Units	8,225,555	8,190,000
15Feb02 & 22Feb02	6 Purchasers	Intrawest Corporation - Units	2,322,400	6
14Dec01		IPC Acquisition Corp. - 11.50% Senior Subordinated Notes due 2009	452,250	450,000
15Feb02	8 Purchasers	Kingwest Avenue Portfolio - Units	705,200	35,447
15Feb02	980235 Ontario Ltd.	Kingwest U.S. Equity Portfolio - Units	78,222	7,750
01Feb02	9 Purchasers	Landmark Global Opportunities Fund - Units	555,820	5,190
25Jan02	14 Purchasers	Landmark Global Opportunities Fund - Units	1,154,890	10,921
28Feb02	7 Purchasers	Linmor Inc. - Common Shares and Unsecured Subordinated Convertible Debentures	1,719,940, $500,000	5,545,182, $500,000 Resp.
22Feb02	Brodhurst, David	Maple Financial Group Inc. - Common Shares , Class A Shares and Preferred Shares	2, 7,514, 5,016	2,760, 2,760, 5,016 Resp.
18Feb02 to 22Feb02	7 Purchasers	Mavrix Fund Management Inc. - Common Shares	114,000	76,000

Trans. Date	Purchaser	Security	Price ($)	Amount
01Mar02	Royal Palm Investments Ltd.	MCAN Performance Strategies	115,000	115,000
15Feb02	7 Purchasers	ML-Warburg Pincus III (Offshore), L.P - Limited Partnership Interest	5,563,250	5,563,250
01Jan01 to 31Dec01		Monogram Balanced Growth Fund - Units	9,183,020	792,748
01Jan01 to 31Dec01		Monogram Balanced Conservative Fund - Units	48,594,293	4,327,518
01Jan01 to 31Dec01		Monogram Canadian Balanced Growth Fund - Units	4,128,267	376,984
01Jan01 to 31Dec01		Monogram Canadian Balanced Fund - Units	52,214,716	4,499,255
01Jan01 to 31Dec01		Monogram Canadian Equity Fund - Units	3,313,487	256,000
01Jan01 to 31Dec01		Monogram Canadian Conservative Equity Fund - Units	2,773,562	228,389
01Jan01 to 31Dec01		Monogram Canadian Income Fund - Units	31,365,719	2,924,437
01Jan01 to 31Dec01		Monogram Conservative Equity Fund - Units	13,259,129	976,495
01Jan01 to 31Dec01		Monogram Growth Equity Fund - Units	8,949,725	774,545
14Feb02	3 Purchasers	MSU Devices Inc. - Convertible Secured Promissory Notes	$79,600	$79,600
18Feb02	4 Purchasers	Negociar Investments Limited Partnership - Limited Partnership Units	500,000	50
21Feb02	Wallace, Howard Phillip	Negociar Investments Limited Partnership - Limited Partnership Units	50,000	5
11Feb02	MetalPlus Inc.	NTG Clarity Networks Inc.	184,000	400,000
31Jan02	Kingsway Restorations Ltd.	Oomska Corporation - Common Shares	40,000	90
28Dec01	Canada Pension Plan Investment Board	Paul Capital Top Tier Investments II, L.P. - Limited Partnership Interest	US$96,000,000	96,000,000
19Dec01 to 26Dec01		RBC Global Investment Management Inc. - Units	6,433,969	381,331
21Feb02	Royal Bank of Canada and Bank of Montreal	RFS Partnership, L.P. - Senior Notes	1,590,600	1,590,600

Trans. Date	Purchaser	Security	Price ($)	Amount
18Feb02	5 Purchasers	Sandvine Incorporated - Series A Convertible Preference Shares	4,410,000	7,003,336
01Feb02	Royal Bank of Canada	Silver Point Capital Offshore Fund, Ltd. - Participating Shares	6,362,800	6,362,800
14Feb02	OPG Ventures Inc.	Solicore Inc. - Series A Convertible Preferred Stock	US$2,500,000	1,428,571
20Feb02	Rossiter, James and Limousin Ltd.	Tactex Controls Inc. - Common Shares	31,000	206,667
01Dec01	4 Purchasers	The K2 Arbitrage Fund L.P. - Limited Partnership Units	1,320,000	971
01Oct01 to 12Dec01		The Royal Trust Company - Units	63,702,214	8,141,806
01Oct01 to 12Dec01		The Royal Trust Company - Units	37,795,698	2,142,068
21Feb02	12 Purchasers	The Nu-Gro Corporation - Units	4,585,000	655,000
26Feb02	Marquest Investment Counsel Inc.	TransForce Inc. - Common Shares	305,000	100,000
01Feb02	4 Purchasers	Trident Global Opportunities Fund - Units	219,630	2,079
25Jan02	3 Purchasers	Trident Global Opportunities Fund - Units	262,592	2,467
18Feb02	Skypoint Telecom Fund II and Venture Coaches Fund LP	TrueContext Corporation - Series A Convertible Preferred Shares	2,087,531	2,625,000
25Feb02	YETS Investment Ltd.	TrueSpectra, Inc. - Shares of Series A Preferred Stock	53,994	41,963
25Feb02	Parker, Steven	TrueSpectra Inc. - Option	US$35,040	1
31Jan02	Lancit, Sheila	YMG Institutional Fixed Income Fund - Units	700,000	72,173
31Jan02	Belzberg, Lynn	YMG Institutional Fixed Income Fund - Units	420,000	43,304
15Feb02	7 Purchasers	ZTEST Electronics Inc. - Convertible Debentures	$261,875	$261,875

Resale of Securities - (Form 45-501F2)

Date of Trade	Date of Orig. Purchase	Seller	Security	Price ($)	Amount
05Feb02 to 25Feb02		792532 Ontario	Canmine Resources Limited	15,765	45,500

Reports Made under Subsection 2.7(1) of Multilateral Instrument 45-102 Resale of Securities with Respect to an Issuer That Has Ceased to Be a Private Company or Private Issuer - Form 45-102F1

Name of Issuer	Date the Company Ceased to be a Private Company or Private Issuer
Contec Innovations Inc.	06Feb02

Notice of Intention to Distribute Securities and Accompanying Declaration under Section 2.8 of Multilateral Instrument 45-102 Resale of Securities - Form 45-102F3

Seller	Security	Amount
Bolger, Aidan	Asset Management Software Systems Corp. - Common Shares	2,000,000
Barlow, Angela	Destorbelle Mines Limited - Common Shares	973,528
Prairie Birch Royalties Ltd.	Meota Resources Corp.- Common Shares	1,250,000

Chapter 9

Legislation

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
BFI Canada Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated March 6th, 2002
Mutual Reliance Review System Receipt dated March 8th, 2002
Offering Price and Description:
$ * - * Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Dundee Securities Corporation
Desjardins Securities Inc.
Promoter(s):
-
Project #427009

Issuer Name:
Casurina Performance Fund
Principal Regulator - Ontario
Type and Date:
Amended Preliminary Prospectus dated March 8th, 2002
Mutual Reliance Review System Receipt dated March 8th, 2002
Offering Price and Description:
$ * - * Units @ $20.00 per Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Canaccord Capital Corporation
Dundee Securities Corporation
Trilon Securities Corporation
Yorkton Securities Inc.
Promoter(s):
Front Street Capital
Project #422364

Issuer Name:
Citadel Diversified Investment Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 13th, 2002
Mutual Reliance Review System Receipt dated March 13th, 2002
Offering Price and Description:
$10,000,000 to $100,000,000 - * Units
Exchange Offer

Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
TD Securities Inc.

Promoter(s):
-
Project #428223

Issuer Name:
CMP 2002 Resource Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated March 11th, 2002
Mutual Reliance Review System Receipt dated March 12th, 2002
Offering Price and Description:
$100,000,000 (Maximum) - 100,000 Limited Partners Units @ $1,000 per Unit - Minimum Subscription $5,000
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Wellington West Capital Inc.
Raymond James Ltd.
Promoter(s):
Dynamic CMP Funds V Management Inc.
Project #427769

Issuer Name:
Connor, Clark & Lunn TIGERS Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated March 8th, 2002
Mutual Reliance Review System Receipt dated March 11th, 2002
Offering Price and Description:
$ * - * Units @ $25.00 per Unit
Minimum purchase 100 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Yorkton Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Promoter(s):
Connor, Clark & Lunn Capital Markets Inc.
Project #427269

Issuer Name:
DaimlerChrysler Canada Finance Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Shelf Prospectus dated March 12th, 2002
Mutual Reliance Review System Receipt dated March 12th, 2002
Offering Price and Description:
$5,000,000,000 - Medium Term Notes (Unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #427888

Issuer Name:
Ivanhoe Mines Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated March 12th, 2002
Mutual Reliance Review System Receipt dated March 12th, 2002
Offering Price and Description:
$24,196,000 - 9,385,164 Common Shares to be issued upon the exercise of 9,385,164 Special Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #427925

Issuer Name:
Magna Entertainment Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 8th, 2002
Mutual Reliance Review System Receipt dated March 8th, 2002
Offering Price and Description:
Cdn. $ * - 20,000,000 Shares of Class A Subordinate Voting Stock
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.

Promoter(s):
-
Project #427073

Issuer Name:
NCE Petrofund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 8th, 2002
Mutual Reliance Review System Receipt dated March 11th, 2002
Offering Price and Description:
$39,000,000 - 3,000,000 Trust Units @$13.00 per Trust Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Yorkton Securities Inc.
Promoter(s):
-
Project #427595

Issuer Name:
NORTHWEST BALANCED FUND
NORTHWEST GROWTH FUND
NORTHWEST INTERNATIONAL FUND
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated March 6th, 2002
Mutual Reliance Review System Receipt dated March 7th, 2002
Offering Price and Description:
Series F Units
Underwriter(s) or Distributor(s):
Northwest Mutual Funds Inc.
Promoter(s):
Northwest Mutual Funds Inc.
Project #426816

Issuer Name:
Overlord Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated March 8th, 2002
Mutual Reliance Review System Receipt dated March 8th, 2002
Offering Price and Description:
$50,000,000 to $200,000,000 - 5,000,000 to 20,000,000 Units @ $10.00 per Unit
(Minimum purchase : 200 Units)
Underwriter(s) or Distributor(s):
CBIC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Yorkton Securities Inc.
Research Capital Corporation
Promoter(s):
Overlord Financial Inc.
Project #427350

Issuer Name:
Slater Steel Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 7th, 2002
Mutual Reliance Review System Receipt dated March 7th, 2002
Offering Price and Description:
$49,500,000 - 3,000,000 Common Shares @$16.50 per Common Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
Sprott Securities Inc.
Promoter(s):
-
Project #426847

Issuer Name:
Talisman Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Shelf Prospectus dated March 12th, 2002
Mutual Reliance Review System Receipt dated March 13th, 2002
Offering Price and Description:
$500,000,000 - Debentures (unsecured)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #428002

Issuer Name:
Cartier U.S. Equity Fund
Principal Regulator - Quebec
Type and Date:
Amendment #1 dated February 12th, 2002 to Simplified Prospectus and Annual Information Form dated February 23rd, 2001
Mutual Reliance Review System Receipt dated 21st day of February, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #322572

Issuer Name:
ENERGY CONVERSION TECHNOLOGIES INC.
Type and Date:
Amendment #1 dated March 5th, 2002 to Prospectus dated February 25th, 2002
Receipt dated 7th day of March, 2002
Offering Price and Description:
$1,000,000 to $1,540,000 - 1,428,571 to 2,200,000 Units @$0.70 Per Unit
Underwriter(s) or Distributor(s):
Standard Securities Capital Corporation
Promoter(s):
Energy Conversion Technology Inc.
Project #403285

Issuer Name:
Global Financial Services Trust, 2002 Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 7th, 2002 to Simplified Prospectus and Annual Information Form dated January 18th, 2002
Mutual Reliance Review System Receipt dated 12th day of March, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
First Defined Portfolio Management Co.
Promoter(s):
First Defined Portfolio Management Co.
Project #410813

Issuer Name:
The Canada Life Assurance Company
Canada Life Financial Corporation
Canada Life Capital Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectuses dated March 7th, 2002
Mutual Reliance Review System Receipt dated 8th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #422454, 422473 & 420492

Issuer Name:
Canadian Superior Energy Inc.
(Formerly Prize Energy Inc.)
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated March 4th, 2002
Mutual Reliance Review System Receipt dated 6th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Octagon Capital Corporation
Jennings Capital Inc.
Maison Placements Canada Inc.
Brant Securities Limited
Promoter(s):
-
Project #414507

Issuer Name:
Indigo Books & Music Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 7th, 2002
Mutual Reliance Review System Receipt dated 8th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #418877

Issuer Name:
First Capital Realty Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 8th, 2002
Mutual Reliance Review System Receipt dated 11th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #424349

Issuer Name:
Mosaic Group Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 11th, 2002
Mutual Reliance Review System Receipt dated 11th day of March, 2002
Offering Price and Description:

Underwriter(s) or Distributor(s):
Yorkton Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
TD Securities Inc.
Promoter(s):
-
Project #425784

Issuer Name:
The Forzani Group Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated March 12th, 2002
Mutual Reliance Review System Receipt dated 12th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #425825

Issuer Name:
Viking Energy Royalty Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated March 12th, 2002
Mutual Reliance Review System Receipt dated 12th day of March, 2002
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Raymond James Ltd.
Promoter(s):
-
Project #425896

Issuer Name:
BMO Nesbitt Burns Bond Fund
BMO Nesbitt Burns U.S. Stock Selection Fund
BMO Nesbitt Burns RRSP Stock Selection Fund
BMO Nesbitt Burns Canadian Stock Selection Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated February 22nd, 2002
Mutual Reliance Review System Receipt dated 13th day of March, 2002
Offering Price and Description:
(Units)
Underwriter(s) or Distributor(s):
Nesbitt Burns Inc.
Promoter(s):
-
Project #416400

Issuer Name:
Burgundy European Foundation Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated March 1st, 2002
Mutual Reliance Review System Receipt dated 7th day of March, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
Burgundy Asset Management Ltd.
Promoter(s):
Burgundy Asset Management Ltd.
Project #418820

Issuer Name:
Lincluden Balanced Fund
Type and Date:
Final Simplified Prospectus and Annual Information Form dated March 11th, 2002
Receipt dated 12th day of March, 2002
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
Lincluden Management Limited
Promoter(s):
-
Project #419390

Issuer Name:
Mackenzie Managed Return Capital Class

Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated March 5th, 2002
Mutual Reliance Review System Receipt dated 11th day of March, 2002
Offering Price and Description:
(Series A, F, I, O Shares)
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #407961

Issuer Name:
Vision Europe Fund
Principal Regulator - Quebec
Type and Date:
Final Simplified Prospectus and Annual Information Form dated March 4th, 2002
Mutual Reliance Review System Receipt dated 6th day of March, 2002
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #418759

Issuer Name:
Magna Entertainment Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated October 26th, 2001
Withdrawn on January 23rd, 2002
Offering Price and Description:

Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #397577

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	CBID Securities Inc. Attention: Laurence David Rose 372 Bay Street 20th Floor Toronto ON M5H 2W9	Investment Dealer Equities	Mar 08/02
New Registration	J. C. Clark Inc. Attention: John Churchill Clark BCE Place, 161 Bay Street Suite 2240 Toronto ON M5J 2S1	Investment Counsel & Portfolio Manager	Mar 07/02
New Registration	Crosbie & Company Inc. Attention: Allan Hamilton Talbot Crosbie 1 First Canadian Place 9th Floor, PO Box 116 Toronto ON M5X 1A4	Limited Market Dealer	Mar 07/02
New Registration	Peterson Findlay Capital Inc. Attention: Katherine Sue Findlay 409 Granville Street Suite 512 Vancouver BC V6C 1T2	Investment Dealer Equities	Mar 12/02
New Registration	Aeltus Investment Management, Inc. Attention: Laurie J. Cook 40 King Street West Scotia Plaza Toronto ON M5H 3Y4	International Adviser Investment Counsel & Portfolio Manager	Feb 25/02
Suspension of Registration	Retirement Counsel of Canada Inc.	Mutual Fund Dealer Limited Market Dealer	Feb 28/02

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Chapter 13

SRO Notices and Disciplinary Proceedings

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Chapter 25

Other Information

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