

The Ontario Securities Commission

# OSC Bulletin

April 19, 2002

Volume 25, Issue 16

(2002), 25 OSCB

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

**The Ontario Securities Commission**

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

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

Published under the authority of the Commission by:

**Carswell**  
One Corporate Plaza  
2075 Kennedy Road  
Toronto, Ontario  
M1T 3V4

416-609-3800 or 1-800-387-5164

Contact Centre - Inquiries, Complaints:

Capital Markets Branch:

- Registration: Fax: 416-593-8122
- Filings Team 1: Fax: 416-593-3651
- Filings Team 2: Fax: 416-593-8283
- Continuous Disclosure: Fax: 416-593-8244
- Insider Reporting: Fax: 416-593-3683
- Take-Over Bids / Advisory Services: Fax: 416-593-8252

Enforcement Branch: Fax: 416-593-3666

Executive Offices: Fax: 416-593-8177

General Counsel's Office: Fax: 416-593-8321

Office of the Secretary: Fax: 416-593-8241

Fax: 416-593-3681

Fax: 416-593-2318



**CARSWELL**

A THOMSON COMPANY

The OSC Bulletin is published weekly by Carswell, under the authority of the Ontario Securities Commission.

Subscriptions are available from Carswell at the price of \$549 per year.

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	\$175
Outside North America	\$400

Single issues of the printed Bulletin are available at \$20.00 per copy as long as supplies are available.

Carswell also offers every issue of the Bulletin, from 1994 onwards, fully searchable on *securities.pro*<sup>™</sup>. Canada's pre-eminent web-based securities resource. *securities.pro*<sup>™</sup> also features comprehensive securities legislation, expert analysis, precedents and a weekly Newsletter. For more information on *securities.pro*<sup>™</sup>, as well as ordering information, please go to:

<http://www.ecarswell.com/securities.pro>

or call Carswell Customer Relations at 1-800-387-5164  
(416-609-3800 Toronto & Outside of Canada)

Claims from bona fide subscribers for missing issues will be honoured by Carswell up to one month from publication date. Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the publisher.

The publisher is not engaged in rendering legal, accounting or other professional advice. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

© Copyright 2002 Ontario Securities Commission  
ISSN 0226-9325



---

One Corporate Plaza  
2075 Kennedy Road  
Toronto, Ontario  
M1T 3V4

Customer Relations  
Toronto 1-416-609-3800  
Elsewhere in Canada/U.S. 1-800-387-5164  
World wide Web: <http://www.carswell.com>  
Email: [orders@carswell.com](mailto:orders@carswell.com)

# Table of Contents

<b>Chapter 1 Notices / News Releases .....</b>	<b>2201</b>	<b>Chapter 4 Cease Trading Orders .....</b>	<b>2241</b>
<b>1.1 Notices .....</b>	<b>2201</b>	4.1.1 Temporary, Extending & Rescinding Cease Trading Orders .....	2241
1.1.1 Current Proceedings Before the Ontario Securities Commission .....	2201	4.2.1 Management & Insider Cease Trading Orders.....	2241
1.1.2 Harmonization of Prospectus Requirements Across the CSA - CSA Staff Notice 41-303 ...	2203	4.3.1 Lapsed Cease Trading Orders.....	2241
1.1.3 Notice of OSC Approval of TSE By-Law Number 2.....	2204	<b>Chapter 5 Rules and Policies (nil) .....</b>	<b>2243</b>
<b>1.2 News Releases .....</b>	<b>2205</b>	<b>Chapter 6 Request for Comments (nil).....</b>	<b>2245</b>
1.2.1 OSC Proceeding in the Matter of Mark Bonham et al. Rescheduled to August 20, 2002 .....	2205	<b>Chapter 7 Insider Reporting .....</b>	<b>2247</b>
1.2.2 OSC Teams up with Junior Achievement to Offer Personal Economics Training to Students .....	2205	<b>Chapter 8 Notice of Exempt Financings.....</b>	<b>2299</b>
1.2.3 CARP and the OSC Present: Protect Yourself Against Fraud.....	2206	Reports of Trades Submitted on Form 45-501F1 .....	2299
1.2.4 The OSC Approves Settlement with Sohan Singh Koonar et al. ....	2206	Resale of Securities (Form 45-501F2)....	2304
<b>Chapter 2 Decisions, Orders and Rulings .....</b>	<b>2209</b>	Notice of Intention to Distribute Securities and Accompanying Declaration Under Section 2.8 of Multilateral Instrument 45-102 Resale of Securities - Form 45-102F3 .....	2304
<b>2.1 Decisions .....</b>	<b>2209</b>	<b>Chapter 9 Legislation (nil) .....</b>	<b>2305</b>
2.1.1 Canadian Pacific Securities Limited - MRRS Decision .....	2209	<b>Chapter 11 IPOs, News Issues and Secondary Financings.....</b>	<b>2307</b>
2.1.2 Canadian Pacific Enterprises Limited - MRRS Decision .....	2210	<b>Chapter 12 Registrations.....</b>	<b>2315</b>
2.1.3 Archipelago L.L.C. - MRRS Decision .....	2212	12.1.1 Registrants.....	2315
2.1.4 Versacold Corporation et al. - MRRS Decision .....	2215	<b>Chapter 13 SRO Notices and Disciplinary Proceedings .....</b>	<b>2317</b>
2.1.5 Sun Life Financial Services of Canada Inc. and Clarica Life Insurance Company - MRRS Decision .....	2217	13.1.1 Proposed Amendment to IDA By-Law 16 - Elimination of the Top 20 Regulatory Reporting .....	2317
2.1.6 Northwest Mutual Funds Inc. and Northwest International Fund - MRRS Decision .....	2221	13.1.2 Proposed Amendment to IDA By-Law 29.26 - Leverage Disclosure .....	2319
<b>2.2 Orders.....</b>	<b>2224</b>	13.1.3 Proposed Amendment to IDA By-Law 28 - Discretionary Trust Fund.....	2321
2.2.1 Del Roca Energy Ltd. - ss. 83.1(1) .....	2224	13.1.4 Proposed Amendments to IDA Regulation 100.4c - Capital and Margin Requirements for an Offset.....	2323
2.2.2 Fidelity Capital Structure Corp. and Fidelity Canadian Short Term Income Class - ss. 59(1) .....	2225	13.1.5 Approval of TSE By-Law Number 2 .....	2329
2.2.3 CMP 1999 Resource Limited Partnership - s. 83 .....	2227	13.1.6 IDA Discipline Penalties Imposed on Joseph John Genovese – Violation of Regulations 1300.1(a), 300.1(c) and By-law 29.1 .....	2330
2.2.4 Business Development Bank of Canada - s. 83 .....	2228	<b>Chapter 25 Other Information .....</b>	<b>2331</b>
2.2.5 The Independent Electricity Market Operator - Exemption s. 147 .....	2230	25.1.1 Securities .....	2331
2.2.6 Sohan Singh Koonar et al. Order and Settlement Agreement - s. 127 and 127.1 .....	2232	<b>Index .....</b>	<b>2333</b>
<b>Chapter 3 Reasons: Decisions, Orders and Rulings (nil) .....</b>	<b>2239</b>		



# Chapter 1

## Notices / News Releases

### 1.1 Notices

#### 1.1.1 Current Proceedings Before The Ontario Securities Commission

APRIL 19, 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

#### CDS    TDX 76

Late Mail depository on the 19th Floor until 6:00 p.m.

-----

#### 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

April 1, 2, 4, 5, 11, 12, 16, 18, 22, 24, 25, 26, 30,

April 9 & 17/02  
2:00 p.m.

April 8, 22 & 29/02  
9:30 a.m. - 1:00 p.m.

May 1, 2, 3, 30 & 31/02  
9:30 a.m.

May 28/02  
2:00 p.m.

May 29/02  
9 a.m. - 12:00 p.m.

June 3, 24, 26 & 27/02  
9:30 a.m.

June 10/02  
1 p.m. - 4 p.m.

June 11 & 25/02  
2:00 - 4:30 p.m.

June 17/02  
10:30 a.m. - 4:30 p.m.

June 18/02  
9:00 - 3:00 p.m.

June 19/02  
9:30 - 4:30 p.m.

August 6 & 20/02  
2:00 - 4:30 p.m.

August 7, 8, 12 - 15, 19, 21, 22, 26-29/02  
9:30 a.m. - 4:30 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

September 3 &  
17/02  
2:00 -4:30 p.m.

M. Britton in attendance for Staff  
Panel: TBA

September 6, 10,  
12, 13, 24, 26 &  
27/02  
9:30 a.m. - 4:30  
p.m.

June 12/02  
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

April 15 - 19/02 **Sohan Singh Koonar**

Panel: HIW

9:30 a.m.

s. 127

J. Superina in attendance for Staff

Panel: PMM / KDA / RSP

June 17, 18, 19,  
20, 21, 24 &  
26/02  
10:00 a.m.

**Brian K. Costello**

s. 127

H. Corbett in attendance for Staff

August 20/02  
2:00 p.m.

**Mark Bonham and Bonham & Co. Inc.**

s. 127

M. Kennedy in attendance for staff

Panel: PMM / KDA / MTM

June 25  
2:00 - 4:00 p.m.

Panel: PMM

July 8 - 12/02  
July 15 - 19/02  
10:00 a.m. -

**ADJOURNED SINE DIE**

May 1 - 3/02  
10:00 a.m.

**James Frederick Pincock**

s. 127

J. Superina in attendance for staff

Panel: PMM / HLM

**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**

May 6/02  
10:00 a.m.

**Teodosio Vincent Pangia, Agostino  
Capista and Dallas/North Group Inc.**

S. 127

Y. Chisholm in attendance for Staff

Panel: PMM

**DJL Capital Corp. and Dennis John  
Little**

May 13 - 17/02  
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 / MTM

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

**First Federal Capital (Canada)  
Corporation and Monter Morris Friesner**

May 21/02  
10:00 a.m.

**Lydia Diamond Explorations of  
Canada Ltd., Jurgen von Anhalt,  
Emilia von Anhalt and Fran Harvie**

s. 127 and 127.1

**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 Harmonization of Prospectus Requirements Across the CSA - CSA Staff Notice 41-303

### CSA Staff Notice 41-303

#### HARMONIZATION OF PROSPECTUS REQUIREMENTS ACROSS THE CSA

##### Purpose

The CSA are reviewing the prospectus regimes in Canada. Our objectives include greater harmonization and simplification. At present, national instruments govern the short form, shelf and PREP prospectus regimes. However, the long form prospectus regimes are not uniform. The Ontario Securities Commission's local rule is replicated or made available in the other CSA jurisdictions through a variety of local orders, rules and policies, but some jurisdictions also maintain older long form prospectus regimes as an alternative. Our plan is to harmonize the long form prospectus regime across Canada as expeditiously as possible. This project marks an important step in achieving the CSA's goal to harmonize securities regulation in Canada.

An additional objective is to incorporate any necessary changes into the prospectus rules to harmonize them with changes to continuous disclosure requirements currently under consideration. We anticipate that these changes will reflect a more flexible approach to the use of U.S. and international accounting and auditing standards.

We are also considering to what extent foreign issuers should be permitted to use the International Organization of Securities Commissions (IOSCO) International Disclosure Standards to satisfy the long form prospectus form requirements.

We will be proposing a number of clarifying and technical amendments to each of the prospectus regimes to address issues raised since the new prospectus rules were implemented in 2000, including certain issues identified in the CSA Staff Notice 44-301 *Frequently asked questions regarding the new prospectus rules*.

We invite your comments on how the existing prospectus regimes are working and any suggestions you have on how they can be improved.

We plan to publish the amendments to the prospectus regimes and our requirements concerning acceptable accounting standards for a 90-day comment period in the summer of 2002. We hope to implement the revised prospectus rules by Spring 2003.

**How to Contact Us:** Comments, suggestions or questions may be referred to any of the following:

British Columbia Securities Commission:  
Marcine Renner: (604) 899-6711, [mrenner@bcsc.bc.ca](mailto:mrenner@bcsc.bc.ca)

Alberta Securities Commission:

Stephen Murison: (403) 297-4233,  
stephen.murison@seccom.ab.ca  
Lara Janke: (403) 297-3302, lara.janke@seccom.ab.ca

Saskatchewan Securities Commission:  
Ian McIntosh: (306) 787-5867, imcintosh@ssc.gov.sk.ca

Manitoba Securities Commission:  
Bob Bouchard: (204) 945-2555, [BBouchard@gov.mb.ca](mailto:BBouchard@gov.mb.ca)

Ontario Securities Commission:  
Iva Vranic: (416) 593-8115, [ivranic@osc.gov.on.ca](mailto:ivranic@osc.gov.on.ca)  
Julie Bertoia: (416) 593-8083, [jbertoia@osc.gov.on.ca](mailto:jbertoia@osc.gov.on.ca)  
Marcel Tillie: (416) 593-8078, [mtillie@osc.gov.on.ca](mailto:mtillie@osc.gov.on.ca)  
Susan McCallum: (416) 593-8248,  
[smccallum@osc.gov.on.ca](mailto:smccallum@osc.gov.on.ca)  
Michael Brown: (416) 593-8266, [mbrown@osc.gov.on.ca](mailto:mbrown@osc.gov.on.ca)  
Hemingway Reinbergs: (416) 595-8912,  
[hreinbergs@osc.gov.on.ca](mailto:hreinbergs@osc.gov.on.ca)

Commission des valeurs mobilières du Québec:  
Jean François Bernier: (514) 940-2199 Ext. 4341, [jean-francois.bernier@cvmq.com](mailto:jean-francois.bernier@cvmq.com)  
Ann Leduc: (514) 940-2199 Ext. 4572,  
[ann.leduc@cvmq.com](mailto:ann.leduc@cvmq.com)  
Josée Deslauriers: (514) 940-2199 Ext. 4355,  
[josee.deslauriers@cvmq.com](mailto:josee.deslauriers@cvmq.com)  
Eric Boutin: (514) 940-2199 Ext. 4338,  
[eric.boutin@cvmq.com](mailto:eric.boutin@cvmq.com)

Nova Scotia Securities Commission:  
Bill Slattery: (902) 424-7355, [slattejw@gov.ns.ca](mailto:slattejw@gov.ns.ca)

April 5, 2002.

### 1.1.3 Notice of OSC Approval of TSE By-Law Number 2

#### The Toronto Stock Exchange By-Law Number 2

#### Notice of Commission Approval

The Commission has approved By-Law Number 2 of the Toronto Stock Exchange (the "TSE") regarding appeals of TSE decisions to the Board of Directors. With the transfer of disciplinary matters to Market Regulation Services Inc., Part 7 of the Rules of the TSE has been appealed. In order to provide an appeals process for matters unrelated to discipline, the TSE has adopted By-Law Number 2. The TSE intends to amend the appeals process to provide greater details at a later date. However, in the interim, there is a need for the immediate implementation of a simplified appeals process. By-Law Number 2 is being published in Chapter 13 of this Bulletin.



1.2 News Releases

1.2.1 OSC Proceeding in the Matter of Mark Bonham et al. Rescheduled to August 20, 2002

FOR IMMEDIATE RELEASE  
April 11, 2002

OSC PROCEEDINGS IN THE MATTER OF  
MARK BONHAM ET AL  
RESCHEDULED TO AUGUST 20, 2002

**TORONTO** – The hearing before the Ontario Securities Commission in the matter of Mark Bonham and Bonham & Co. Inc. scheduled for April 23, 2002 is rescheduled to begin at 2:00 p.m. Tuesday August 20 at the offices of the Commission, 17<sup>th</sup> Floor, 20 Queen Street West, Toronto.

A copy of the Notice of Hearing and the Statement of Allegations issued November 14, 2000, are available at the Commission's website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca) or from the Commission, 19<sup>th</sup> Floor, 20 Queen Street West, Toronto, Ontario.

For Media Inquiries: Eric Pelletier  
Manager, Media Relations  
416-593-8913

Michael Watson  
Director, Enforcement Branch  
416-593-8156

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

1.2.2 OSC Teams up with Junior Achievement to Offer Personal Economics Training to Students

FOR IMMEDIATE RELEASE  
April 15, 2002

OSC TEAMS UP WITH JUNIOR ACHIEVEMENT  
TO OFFER PERSONAL ECONOMICS TRAINING TO  
STUDENTS

**TORONTO** – As part of Investor Education Month, volunteer staff members from the OSC will present Junior Achievement's *Personal Economics: Investing in Me* program on Wednesday, April 17<sup>th</sup>. OSC professionals will share their knowledge and experience with over 300 seventh grade students from eight different schools located in Toronto and York Region.

"Young people are a key focus for our investor education efforts," said OSC Chair David Brown. "We are pleased to partner with Junior Achievement to offer a proven educational program and help students learn more about personal finance issues."

"There is an important role for business to play in preparing our youth to become tomorrow's leaders," says Gale Carey, President of Junior Achievement of Toronto & York Region. "Investor Education Month and the OSC's commitment to teach JA programs both make a significant contribution to helping prepare young people to successfully enter a highly competitive global marketplace."

Junior Achievement of Toronto and York Region was founded in 1968 to provide curriculum enhancing programs to the region's school system. Junior Achievement is an international not-for-profit organization that brings together business leaders, educators, parents and the community to help prepare youth for their future.

Each spring, the OSC leads a public awareness program to enhance investor education. The main objective of Investor Education Month is to promote financial literacy. Another is to showcase educational resources that support investor decision-making.

For information on other Investor Education Month events, please visit the calendar in the "Events" section of the OSC's website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

**For Media Inquiries:** Perry Quinton  
Ontario Securities Commission  
416-593-2348

Lisa MacDonald  
Junior Achievement of Toronto  
and York Region  
416-360-5252 ext. 223

**1.2.3 CARP and the OSC Present: Protect Yourself Against Fraud**

**FOR IMMEDIATE RELEASE  
April 16, 2002**

**CARP AND THE ONTARIO SECURITIES COMMISSION PRESENT**

**PROTECT YOURSELF AGAINST FRAUD:  
FREE SEMINAR**

**April 17, 2002 - Royal Canadian Legion Branch 322 -  
1:30pm**

**Toronto, ON April 16, 2002** - CARP Canada's Association for the Fifty-Plus, is working in partnership with the Ontario Securities Commission and the Ontario Provincial Police Anti-Rackets team to educate seniors about fraud during Investor Education Month. Speakers will discuss the latest frauds and scams targeting seniors, including investment fraud and identity theft. Admission is free, and light refreshments will be served.

Carolyn Davis, an Investigator in the Enforcement Branch of the Ontario Securities Commission, will speak about the role of the OSC in investor protection and securities regulation, and common investment scams. Learn the red flags to watch for to safeguard your money. OSC Investor Education Kits will be available at the seminar.

Detective Constable Gaston Laforge, an Investigator with the Ontario Provincial Police Anti-Rackets Phonebusters program, will discuss identity theft and other types of scams and frauds relevant to seniors, and how you can prevent them. Identity theft affects people of all ages, all educational levels, and all professions. Learn how to minimize your risk of becoming a victim.

For reservations, please call 1-866-544-5554 Toll Free. The Legion address is 111 Hunt Street, Ajax. A second seminar is being held at Metro Hall in Toronto on Wednesday, April 24 at 1:30 p.m.

For more information please contact:

CARP Canada's Association for the Fifty-Plus (416) 363-8748  
Ontario Securities Commission (416) 593-8314  
PhoneBusters 1-888-495-8501  
Royal Canadian Legion Branch 322 (905) 683-2927

For media inquiries please contact Terri Williams, Manager, Investor Education, OSC at (416) 593-2350 or Judy Cutler, Director of Communication, CARP at (416) 363-8748 x.241.

**Hosted by Royal Canadian Legion Branch 322**

**1.2.4 The OSC Approves Settlement with Sohan Singh Koonar et al.**

**FOR IMMEDIATE RELEASE  
April 17, 2002**

**THE ONTARIO SECURITIES COMMISSION APPROVES SETTLEMENT**

**IN THE MATTER OF  
SOHAN SINGH KOONAR, SPORTS & INJURY REHAB CLINICS INC.,  
SELECTREHAB INC., SHAKTI REHAB CENTRE INC.,  
NIAGARA FALLS INJURY REHAB CENTRE INC.,  
962268 ONTARIO INC., APNA HEALTH CORPORATION  
AND APNA CARE INC.**

**TORONTO** – The Ontario Securities Commission (the "Commission") today approved a settlement agreement reached between Staff of the Commission and Sohan Singh Koonar (Koonar), Sports & Injury Rehab Clinics Inc., SelectRehab Inc., Shakti Rehab Centre Inc., Niagara Falls Injury Rehab Centre Inc., 962268 Ontario Inc., Apna Health Corporation and Apna Care Inc. (the "Companies"). The agreement follows an enforcement action initiated on June 12, 2001 in which the OSC Staff alleged that from August 1995 to May 1998 Koonar and the Companies traded in securities in violation of the prospectus and registration requirements contained in Ontario securities law, and that as a result of these illegal distributions, an amount in excess of \$1,000,000 was raised from over 300 investors.

The settlement agreement approved by the Commission includes the following sanctions:

- Koonar must cease trading in securities for a period of 10 years, is required to resign his position as an officer or director of the Companies and any other issuer in which he holds the position of officer and/or director, and is prohibited from becoming or acting as an officer or director of any issuer for a period of 15 years.
- Koonar has undertaken not to apply for registration in any capacity under Ontario securities law, and has agreed to make payment to the Commission in the amount of \$50,000 in respect of a portion of the costs incurred by the Commission and Staff in relation to this proceeding.
- The Companies must cease trading in securities permanently.
- Koonar and the Companies are reprimanded by the Ontario Securities Commission.

Copies of the Notice of Hearing issued by the Ontario Securities Commission, Statement of Allegations filed by Commission Staff, the Settlement Agreement and the Order made by the Commission are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

**For Media Inquiries:** Eric Pelletier  
Manager, Media Relations  
416-595-8913

Joanna Fallone  
Manager, Case Assessment,  
Enforcement Branch  
416-593-8304

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

For more information, visit [www.osc.gov.on.ca](http://www.osc.gov.on.ca)

This page intentionally left blank

## Chapter 2

# Decisions, Orders and Rulings

### 2.1 Decisions

#### 2.1.1 Canadian Pacific Securities Limited - MRRS Decision

##### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer has only one security holder - 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, NEWFOUNDLAND AND LABRADOR,  
NOVA SCOTIA, ONTARIO,  
QUEBEC AND SASKATCHEWAN**

**AND**

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

**AND**

**IN THE MATTER OF  
CANADIAN PACIFIC SECURITIES LIMITED**

**MRRS DECISION DOCUMENT**

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

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

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

1. The Filer is subject to the Canada Business Corporations Act and its head office is located in Toronto, Ontario.

2. The Filer is a reporting issuer or the equivalent in each of the Jurisdictions.

3. To the best of its knowledge, the Filer is not in default of any of the requirements of the Legislation, other than with respect to the obligation to file its interim financial statements for the nine months ended September 30, 2001.

4. The Filer's authorized capital consists of an unlimited number of voting common shares (the "Common Shares") and an unlimited number of Class A Floating Rate Cumulative Redeemable Preferred Shares (the "Preferred Shares").

5. The Filer currently has 175,300,007 Common Shares issued and outstanding. The Filer currently has no Preferred Shares outstanding.

6. Beginning in October, 1965, the Filer offered debt securities and commercial paper to the public, with an affiliate, Canadian Pacific Enterprises Limited ("CPEL"), generally acting as guarantor of such securities.

7. The principal amount outstanding relating to the Filer's privately placed \$250 million 11.60% Guaranteed Debentures Series B due February 12, 2026 (the "Series B Debentures") was acquired by an affiliate of Fairmont Hotels & Resorts Inc. ("FH&R") in August 2001 through an investment dealer and is currently held by FH&R, while the coupons relating to the Series B Debentures for the period August 2001 to February 2026 inclusive were acquired and contributed by CPEL to the Filer in consideration for additional equity in the Filer in February 2001. The interest coupons for the period August 1991 to February 2001 inclusive were paid as they matured. The Series B Debentures are guaranteed by CPEL. None of the Series B Debentures, either principal or coupon, is currently held by the public.

8. There are no securities, including debt securities, currently issued by the Filer other than the Common Shares and the principal amount outstanding on the Series B Debentures. The last of the publicly held debt securities and commercial paper of the Filer matured in September 2001.

9. FH&R is the sole beneficial owner of all of the Common Shares and the entire principal amount outstanding on the Series B Debentures and, as such, FH&R is the sole beneficial owner of all of the outstanding securities of the Filer.

10. No securities, including debt securities, of the Filer are listed or quoted on any exchange or market.

11. The Filer does not intend to seek financing by way of an offering to the public.

**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 be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation.

April 9, 2002.

"John Hughes"

## **2.1.2 Canadian Pacific Enterprises Limited - MRRS Decision**

### **Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - Issuer has only one security holder - 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, NEWFOUNDLAND AND LABRADOR,  
NOVA SCOTIA, ONTARIO,  
QUEBEC AND SASKATCHEWAN**

**AND**

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

**AND**

**IN THE MATTER OF  
CANADIAN PACIFIC ENTERPRISES LIMITED**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the "DecisionMaker") in each of Alberta, Newfoundland and Labrador, Nova Scotia, Ontario, Quebec and Saskatchewan (the "Jurisdictions") has received an application from Canadian Pacific Enterprises Limited (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Filer be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation;

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

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

1. The Filer is subject to the Canada Business Corporations Act and its head office is located in Toronto, Ontario.
2. The Filer is a reporting issuer or the equivalent in each of the Jurisdictions.
3. To the best of its knowledge, the Filer is not in default of any of the requirements of the Legislation, other than with respect to the obligation to file its interim financial statements for the nine months ended September 30, 2001.

4. The Filer's authorized capital consists of an unlimited number of voting common shares (the "Common Shares") and an unlimited number of Class A Floating Rate Cumulative Redeemable Preferred Shares (the "Preferred Shares").
5. The Filer currently has 64,079,206 Common Shares issued and outstanding. The Filer currently has no Preferred Shares outstanding.
6. The Filer's initial public offering of Preferred Shares occurred on November 1, 1967 and until December 6, 1985, the Filer issued Common Shares and additional Preferred Shares through a number of different offerings to the public. Furthermore, the Filer acted as the guarantor of certain debt securities issued by an affiliate, Canadian Pacific Securities Limited ("CPSL").
7. Effective December 6, 1985, the approximately 30.1% of Common Shares that were held by members of the public were exchanged for common shares in Canadian Pacific Limited ("CPL"). Thereafter, the sole beneficial owner of all the Common Shares became CPL and the Common Shares were delisted from The Toronto Stock Exchange. No securities, including debt securities, of the Filer are presently listed or quoted on any exchange or market. Immediately prior to this transaction, the 5,000,000 outstanding Preferred Shares that had been held by members of the public were redeemed by the Filer in accordance with their terms and cancelled.
8. The Filer is presently the guarantor of the \$250 million 11.60% Guaranteed Debentures Series B due February 12, 2026 (the "Series B Debentures") privately placed by CPSL and subsequently sold to the public in the form of stripped coupons and the residual principal amount. The principal amount outstanding relating to the Series B Debentures is held by Fairmont Hotels & Resorts Inc. (formerly CPL) ("FH&R"), while the coupons relating to the Series B Debentures for the period August 2001 to February 2026 inclusive were previously acquired and contributed by the Filer to CPSL in consideration for additional equity in the capital of CPSL. None of the Series B Debentures, either principal or coupon, is currently held by the public.
9. Other than the Series B Debentures, the Filer does not guarantee any debt securities.
10. There are no securities, including debt securities, currently issued by the Filer other than the Common Shares.
11. FH&R is the sole beneficial owner of all of the Common Shares, the only presently outstanding securities of the Filer, and FH&R is the sole recipient of the guarantee of the Filer under the terms of the Series B Debentures.
12. The Filer does not intend to seek financing by way of an offering to the public.

**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 be deemed to have ceased to be a reporting issuer or the equivalent in each of the Jurisdictions.

April 9, 2002.

"John Hughes"

**2.1.3 Archipelago L.L.C. - MRRS Decision**

**Headnote**

Exemption pursuant to section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules from the requirement to comply with National Instrument 21-101 and National Instrument 23-101 until the earlier of July 1, 2002 and the date on which Archipelago Canada is in a position to comply with the requirements of the ATS Rules.

**IN THE MATTER OF**

**NATIONAL INSTRUMENT 21-101 MARKETPLACE  
OPERATION  
AND NATIONAL INSTRUMENT 23-101 TRADING RULES**

**AND**

**IN THE MATTER OF**

**THE MUTUAL RELIANCE REVIEW SYSTEM  
FOR EXEMPTIVE RELIEF APPLICATIONS**

**AND**

**IN THE MATTER OF**

**ARCHIPELAGO L.L.C.**

**MRRS DECISION DOCUMENT**

**WHEREAS** the securities regulatory authority or regulator in each of the Provinces of Ontario and British Columbia (the "Decision Maker") has received an application (the "Application") from Archipelago L.L.C. ("Archipelago") for a decision under section 15.1 of National Instrument 21-101 Marketplace Operation and section 12.1 of National Instrument 23-101 Trading Rules that the requirement to comply with National Instrument 21-101 Marketplace Operation and National Instrument 23-101 Trading Rules (together, the "ATS Rules") does not apply to Archipelago until the earlier of July 1, 2002 and the date on which Archipelago Canada is in a position to comply with the requirements of the ATS Rules.

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

**AND WHEREAS** Archipelago has represented to the Decision Makers that:

1. Archipelago is a limited liability company organized under the laws of the State of Delaware with its registered office in Chicago.
2. Archipelago is a registered broker-dealer under the United States Securities Exchange Act of 1934, and is also registered as an "alternative trading system"

("ATS") pursuant to Regulation ATS in the United States.

3. Archipelago is a member in good standing of the National Association of Securities Dealers in the United States and a participant in the Securities Investor Protection Corporation.
4. Archipelago owns and operates an ATS that matches electronic bids and offers for publicly traded equity securities of U.S. registered companies (the "ARCA System"). Archipelago has effectively created a national limit order book for national markets, including securities listed or quoted on the Nasdaq Stock Market, the New York Stock Exchange and the American Stock Exchange. Subscribers to the ARCA System are broker-dealers and institutional investors.
5. On July 19, 2000, Archipelago became registered with the Ontario Securities Commission as an International Dealer and has been providing access to the ARCA System to Ontario residents pursuant to the terms of such registration.
6. In connection with its International Dealer registration, Archipelago is required to comply with certain terms and conditions of registration (the "Terms and Conditions"), which are attached hereto as Schedule A.
7. Outside of Ontario, in Canada Archipelago currently provides access to its ATS solely to registered investment dealers in British Columbia in reliance on the exemption set out in subsection 45(2)(7) of the Securities Act (British Columbia).
8. In March 2000, Archipelago signed an agreement with the Pacific Exchange, Inc. ("PCX") pursuant to which the ARCA System is being transformed into a new market, which is called the Archipelago Exchange ("ArcaEx"). ArcaEx is being operated by Archipelago Exchange L.L.C., a wholly-owned subsidiary of Archipelago Holdings, L.L.C. (the parent entity of Archipelago), as a trading 'facility' (as such term is defined in Section 3(a)(2) of the United States Securities Exchange Act of 1934) of PCX Equities Inc. ("PCXE"), a wholly owned subsidiary of PCX, and will replace the equity marketplace currently offered by PCX (options trading will continue on the PCX). ArcaEx will provide automatic order execution capabilities for NYSE, Amex, Nasdaq and PCX-traded equity securities.
9. PCX and PCXE will be responsible for regulating the trading activity on the facility, and Archipelago Exchange, L.L.C. will be responsible for the business of the facility.
10. In connection with these plans, new exchange rules were filed with the SEC in June 2000 and SEC approval was granted on October 25, 2001.



11. The transformation of the ARCA System into ArcaEx is being carried by a migration process that began on March 22, 2002, with the migration of 28 stocks to ArcaEx and will continue throughout 2002 with the migration of additional stocks from the ARCA System to ArcaEx.
12. On March 18, 2002, Archipelago and REDiBook ECN, LLC., ("RediBook"), closed a business combination announced on November 29, 2001. As a result of the business combination, Archipelago is now affiliated with the operator of the RediBook ATS (the "Acquired System"). The Acquired System is an ATS that matches electronic bids and offers for publicly traded equity securities of U.S. registered companies, including securities listed or quoted on the Nasdaq Stock Market, the New York Stock Exchange and the American Stock Exchange. RediBook is a registered broker-dealer under the United States Securities Exchange Act of 1934 and is also registered as an ATS pursuant to Regulation ATS in the United States. RediBook is not registered as a dealer in any Canadian jurisdiction.
13. The current intention is for listed securities that trade on the ARCA System and the Acquired System to migrate to the ArcaEx, while the Nasdaq quoted securities that trade on the ARCA System and the Acquired System are to be integrated onto the Acquired System. The current intention is for the Acquired System to be transferred to and operated by Archipelago as part of the integration of the RediBook and Archipelago businesses during 2002. Ultimately, the current intention is that the Nasdaq quoted securities will also migrate to the ArcaEx from the Acquired System.
14. Archipelago undertakes to comply with the Terms and Conditions until July 1, 2002.
15. Archipelago proposes to establish a wholly-owned subsidiary under the laws of Canada ("Archipelago Canada") and to cause Archipelago Canada to diligently pursue satisfaction of Investment Dealers Association membership requirements and to proceed expeditiously to become registered as an investment dealer or its equivalent in each of the jurisdictions where Archipelago Canada will carry on its business of an ATS by providing and maintaining the ARCA System and the Acquired System in Canada during such time as these systems trade securities until completion of the migration of securities trading to ArcaEx has been completed.
16. As soon as Archipelago Canada obtains such registration and membership and is able to comply with the other requirements of the ATS rules, Archipelago will cease to carry on the business of an ATS in the jurisdiction.

**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 ATS Rules that provides the Decision Maker with the jurisdiction to make the Decision has been met;

**THE DECISION** of the Decision Makers is that:

1. Archipelago is exempt from the requirements of the ATS Rules until the earlier of July 1, 2002 and the date on which Archipelago Canada is in a position to comply with all of the requirements of the ATS Rules; and
2. the exemption provided in 1. above shall not apply to the Archipelago in respect of the operation of the Acquired System.

April 10, 2002.

"Randee B. Pavalow"

**SCHEDULE A**

**Registration of Archipelago L.L.C. as an International Dealer  
Terms and Conditions of Registration**

Archipelago L.L.C. has been granted registration as an International Dealer which permits it to provide Ontario resident Designated Institutions (as defined in s. 204 of the Regulation to the Securities Act) terminals to trade foreign non-interlisted securities, provided it complies with certain Terms and Conditions set out below.

**Part A: Trading Restrictions**

In this Part A:

“Canadian issuer” means an issuer incorporated, formed or created under the laws of Canada or any province or territory of Canada.

“foreign security” means a security issued by an issuer that is not a Canadian issuer.

The registrant shall be permitted to execute orders on behalf of customers resident in Ontario but only in foreign securities that are not listed and posted on the Toronto Stock Exchange, The Montreal Exchange or the Canadian Venture Exchange (“CDNX”).

**Part B: Information to be Supplied by the Registrant on a Confidential Basis**

The registrant agrees to:

- (a) advise the Ontario Securities Commission (the “Commission”) of any substantial or material changes to its electronic trading system and business including, but not limited to, substantial or material changes in the criteria used to screen potential customers, changes in the algorithm regarding matching orders and complying with trading rules (but without prejudice to the registrant’s discretion to exercise its business judgement in accepting and evaluating customers), and whether securities listed only on any of The Toronto Stock Exchange, The Montreal Exchange or CDNX are proposed to be traded through the registrant’s electronic trading system;
- (b) furnish, upon the request of the Commission, access on a confidential basis to filings and/or copies of filings effected by the registrant with the Securities and Exchange Commission of the United States (“SEC”); the most recent No-Action Letter dated January 12, 2001, its Form BD and its Focus Report and notify the Commission if it discontinues the filing of any of these documents;

- (c) furnish on a quarterly basis a report identifying Ontario resident customers by code and listing stocks traded on behalf of Ontario resident customers so that compliance with the trading restrictions set forth in Part A can be monitored. (Ontario resident customers may be identified on such quarterly reports by identification codes only);
- (d) make available on a quarterly basis a list of foreign securities and securities of Canadian issuers traded through the registrant’s electronic trading system which cannot be traded on behalf of the registrant’s customers resident in Ontario by virtue of the trading restrictions set forth in Part A;
- (e) furnish promptly upon a request of the Commission any of the following information:
  - (i) a complete list of names and addresses of Ontario-resident customers on the system and their identification codes (“Ids”);
  - (ii) a complete list of customer IDs for Ontario resident customers whose access to certain securities traded through the registrant’s electronic trading system has been blocked by a mechanism (the “Blocking Mechanism”) implemented by virtue of the trading restrictions set forth in Part A;
  - (iii) a list of identification acronyms used for Ontario resident customers with Canadian addresses;
  - (iv) an exception report showing Ontario addresses with IDs out of range or with the Blocking Mechanism switched off;
  - (v) a complete description of the controls over and procedures for identifying Ontario resident customers on the system and implementing the Blocking Mechanism to prevent trading through the registrant’s terminals in both interlisted and Canadian non-interlisted securities including specifically, who initially activates the switch, who has access to or the ability to change the setting, and how changes are authorized and logged;

- (vi) records of all trades by Ontario-resident customers including a description of the securities traded;
  - (vii) identification from the trading records of those trades made directly through a terminal of the registrant and those trades which were made by other means;
  - (viii) the process and criteria used by the registrant to screen potential customers, the identification of parties that have not been accepted as customers and documentation of procedures and reasons for accepting or rejecting a specific customer application;
  - (ix) information regarding the system's algorithm for matching orders and compliance with trading rules; and
  - (x) confirmation of trades and settlement process including procedures for dealing with failed trades.
- (f) maintain books and records necessary to record properly the registrant's business transactions and financial affairs and make these available upon request to staff of the Commission for any valid regulatory purpose.
- (g) report all information to the Securities and Exchange Commission which shall include transactions involving Ontario resident customer investors and which can be segregated from other information and made available on that basis.

**Part C: Expiration of Terms and Conditions**

The Terms and Conditions set forth in Parts A and B shall cease to apply to the registrant upon the expiry of the sixty day period following the date that Proposed National Instrument 21-101 Marketplace Operation becomes effective.

**2.1.4 Versacold Corporation et al. – MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - Decision declaring corporation to be no longer a reporting issuer following the acquisition of all of its outstanding securities by another issuer.

**Applicable Ontario Statutory Provisions**

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

**IN THE MATTER OF  
THE SECURITIES LEGISLATION  
OF ALBERTA, SASKATCHEWAN, ONTARIO, QUÉBEC,  
NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR**

**AND**

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

**AND**

**IN THE MATTER OF  
VERSACOLD CORPORATION,  
VERSACOLD HOLDINGS CORP.  
AND VERSACOLD GROUP LIMITED PARTNERSHIP**

**MRRS DECISION DOCUMENT**

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Makers") in each of the Provinces of Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from Versacold Corporation ("Versacold"), Versacold Holdings Corp. ("Holdings") and Versacold Group Limited Partnership (the "Partnership"), for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Versacold, Holdings, and the Partnership be deemed to have ceased to be reporting issuers under the Legislation.
2. **AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Alberta Securities Commission is the principal regulator for this application;
3. **AND WHEREAS** Versacold, Holdings and the Partnership represented to the Decision Makers that:
  - 3.1 Versacold is a company incorporated under the laws of British Columbia with its head office in Vancouver, British Columbia;
  - 3.2 Versacold is currently a reporting issuer or the equivalent in Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and

- Newfoundland and Labrador, and is not in default of any requirements of the Legislation;
- 3.3 the authorized capital of Versacold consists of 50,000,000 common shares (the "Versacold Common Shares"), 50,000,000 non-voting common shares and 20,000,000 preferred shares, issuable in series, of which there are currently outstanding 7,425,605 Versacold Common Shares, 2,475,000 non-voting common shares and 1,000 preferred shares, series 1;
- 3.4 the Partnership is a limited partnership formed under the laws of the province of British Columbia with its head office in Vancouver, British Columbia;
- 3.5 there are presently authorized a class of limited partnership units designated as "Class A Limited Partnership Units" and a class designated as "Class B Limited Partnership Units", of which there are currently 2,475,000 Class B Limited Partnership Units outstanding;
- 3.6 Holdings is a company incorporated under the laws of British Columbia with its head office in Vancouver, British Columbia;
- 3.7 the authorized capital of Holdings consists of 500,000,000 common voting shares, 500,000,000 common non-voting shares and 500,000,000 preferred shares, issuable in series, of which 40,742,542 common voting shares are outstanding;
- 3.8 Versacold Income Fund (the "Fund") is a limited purpose trust established under the laws of British Columbia with its head office in Vancouver, British Columbia;
- 3.9 the Fund is a reporting issuer in each of the Jurisdictions and is not exempt from any of the requirements of the Legislation;
- 3.10 by way of a statutory arrangement (the "Arrangement") under section 252 of the *Company Act* (British Columbia) between Versacold, Holdings and the Partnership, all of the Versacold Common Shares and the Versacold non-voting common shares were acquired, directly or indirectly by Holdings and the Partnership effective February 12, 2002;
- 3.11 the 1,000 Versacold preferred shares, series 1 were issued to the Partnership prior to the Arrangement and are currently held by the Partnership;
- 3.12 Versacold has outstanding promissory notes which were issued to, and are currently held by, Holdings;
- 3.13 aside from the securities held by Holdings and the Partnership, there are no other securities of Versacold, including debt securities, outstanding;
- 3.14 the Versacold Common Shares were delisted from The Toronto Stock Exchange on February 12, 2002, and no securities of Versacold are listed or quoted on any exchange or market;
- 3.15 as a result of completion of the Arrangement, Holdings and the Partnership are or may be deemed to be reporting issuers by operation of the definition of reporting issuer in the securities legislation of all of the Jurisdictions except Nova Scotia;
- 3.16 Holdings has outstanding promissory notes which were issued to, and are currently held by, the Fund;
- 3.17 all of the common voting shares of Holdings and all of the outstanding promissory notes issued by Holdings are held by the Fund and there are no other securities of Holdings, including debt securities, outstanding;
- 3.18 the general partners of the Partnership are wholly-owned, indirect subsidiaries of Holdings, all of the Class B Limited Partnership Units are held by an aggregate of three persons and there are no other securities of the Partnership, including debt securities, outstanding;
- 3.19 no securities of Holdings or the Partnership are listed or quoted on any exchange or market;
- 3.20 Versacold, Holdings and the Partnership do not presently intend to seek public financing by way of an offering of their securities;
4. **AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
5. **AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
6. **THE DECISION** of the Decision Makers under the Legislation is that Versacold is deemed to have

ceased to be a reporting issuer under the Legislation;

7. **THE FURTHER DECISION** of the Decision Makers under the Legislation is that Holdings and the Partnership are deemed to have ceased to be reporting issuers under the securities legislation of each of the Jurisdictions except Nova Scotia.

April 9, 2002.

“Patricia M. Johnston”

**2.1.5 Sun Life Financial Services of Canada Inc. and Clarica Life Insurance Company - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - relief granted, subject to certain conditions, from the prospectus and registration requirements in respect of trades in connection with a merger transaction pursuant to the Insurance Companies Act (Canada).

**Applicable Ontario Statutory Provisions**

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 35(1)15.i, 53, 72(1)(i), 72(5), 74(1).

**Applicable Ontario Rules**

OSC Rule 45-501, s.2.8.

**Applicable Multi-Lateral Instrument**

MI 45-102, s.2.6.

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

**AND**

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

**AND**

**IN THE MATTER OF  
SUN LIFE FINANCIAL SERVICES OF CANADA INC. AND  
CLARICA LIFE INSURANCE COMPANY**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the “Decision Maker”) in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, the Yukon Territory, the Northwest Territories and Nunavut (collectively, the “Jurisdictions”) has received an application from Sun Life Financial Services of Canada Inc. (“Sun Life”) and Clarica Life Insurance Company (“Clarica”) (collectively, the “Filer”) for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the trades of securities contemplated by the proposed securities exchange transaction (the “Transaction”) involving Sun Life and Clarica

to be effected by way of a reorganization of Clarica's capital structure shall be exempt from the registration and prospectus requirements of the Legislation;

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

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

1. Sun Life and Clarica have entered into a transaction agreement dated December 17, 2001 (the "Transaction Agreement") providing for the Transaction to be effected by way of a reorganization of Clarica's capital structure involving the change of the common shares of Clarica (the "Clarica Common Shares") into a new class of exchangeable shares of Clarica (the "Exchangeable Shares") and the automatic exchange of the Exchangeable Shares for common shares of Sun Life (the "Sun Life Common Shares") to be issued by Sun Life to holders of Clarica Common Shares ("Clarica Shareholders") all as more particularly described in paragraphs 7 and 8 below.
2. Sun Life is a holding company incorporated under the Insurance Companies Act (Canada) (the "ICA") and is a "reporting issuer" under the Legislation. To its knowledge, Sun Life is not in default of any applicable requirement of the Legislation. Sun Life is eligible to use a short form prospectus pursuant to National Instrument 44-101 in each Jurisdiction. Sun Life is a "qualifying issuer" as defined in Multi-Lateral Instrument 45-102 Resale of Securities ("MI 45-102"). Sun Life's registered office is located at 150 King Street West, Toronto, Ontario M5H 1J9.
3. The authorized share capital of Sun Life consists of an unlimited number of Sun Life Common Shares, an unlimited number of Class A Shares, issuable in series and an unlimited number of Class B Shares, issuable in series. Currently, the only shares outstanding are Sun Life Common Shares, of which, as at December 31, 2001, there were 431,708,091 outstanding. The Sun Life Common Shares are currently listed and posted for trading on the Toronto, New York, London and Philippines stock exchanges.
4. Clarica is an insurance company incorporated under the ICA and is a "reporting issuer" under the Legislation. To its knowledge, Clarica is not in default of any applicable requirement of the Legislation. Clarica is eligible to use a short-form prospectus pursuant to National Instrument 44-101 in each Jurisdiction. Clarica's registered office is located at 227 King Street South, Waterloo, Ontario N2J 4C5.
5. The authorized share capital of Clarica consists of an unlimited number of Clarica Common Shares and

an unlimited number of seven classes of Special Shares (Classes A through G) having three different priorities with respect to payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of Clarica. As of December 13, 2001, 6,000,000 Non-cumulative Redeemable Class A Preferred Shares, Series 1 (the "Class A Shares") and 134,268,867 Clarica Common Shares were issued and outstanding. The Clarica Common Shares are currently listed and posted for trading on The Toronto Stock Exchange.

6. The reorganization of Clarica's capital structure will be comprised of the following:
  - (a) an amendment to the by-laws of Clarica to create a new class of non-voting exchangeable shares of Clarica (the "Exchangeable Shares") ranking junior to the Class A Shares and junior or equal to the other classes of Special Shares of Clarica and having the following principal conditions:
    - (i) each Exchangeable Share, other than those held by Clarica Shareholders that validly exercise their Dissent Right (defined below) ("Dissenting Shareholders") will be exchangeable automatically for 1.5135 Sun Life Common Shares, subject to customary anti-dilution provisions (the "Exchange Ratio");
    - (ii) each Exchangeable Share held by a Dissenting Shareholder will be exchangeable automatically for that number of Sun Life Common Shares as is to be determined in accordance with the dissent rights agreement between Clarica, Sun Life and each Dissenting Shareholder (the "Dissent Rights Agreement");
    - (iii) the exchange of Exchangeable Shares for Sun Life Common Shares will be effected automatically at the time of the closing of the Transaction (the "Closing Time"); and

- (iv) following such automatic exchange, the Exchangeable Shares will be convertible into Clarica Common Shares;
  - (b) an amendment to the by-laws of Clarica to change the Clarica Common Shares, other than any owned beneficially by Sun Life or its subsidiaries as general fund assets, into Exchangeable Shares at the Closing Time on the basis of one Exchangeable Share for each Clarica Common Share; and
  - (c) the entering into of the Dissent Rights Agreement to provide Clarica Shareholders with a dissent right (the "Dissent Right") substantially similar to the dissent right in section 190 of the Canada Business Corporations Act, except that payment of fair value for the Clarica Common Shares would be made only in Sun Life Common Shares and the notice of dissent will be required to be delivered not later than 2:00 p.m. (Toronto time) on the business day before the Clarica Meeting (defined below).
7. At the Closing Time, the reorganization of Clarica's capital structure will be implemented through the occurrence of the following steps in the following order:
- (a) all the Clarica Common Shares, except those beneficially owned by Sun Life or any of its subsidiaries as general fund assets, will be changed into Exchangeable Shares;
  - (b) each Exchangeable Share, will be exchanged automatically with Sun Life for:
    - (i) in the case of each Exchangeable Share other than those held by Dissenting Shareholders, that number of Sun Life Shares as is equal to the Exchange Ratio; and
    - (ii) in the case of each Exchangeable Share held by a Dissenting Shareholder, that number of Sun Life Common Shares as is to be determined in accordance with the Dissent Rights Agreement; and
  - (c) Sun Life will convert the Exchangeable Shares acquired by it as contemplated above into Clarica Common Shares in accordance with the share conditions of the Exchangeable Shares.
- These steps will occur automatically, without any further action being taken by holders of the Clarica Common Shares on the third business day after all required approvals to the completion of the Transaction have been obtained, and provided that
- all other conditions to the completion of the Transaction are satisfied or waived.
  - 8. No fractional Sun Life Common Shares will be issued pursuant to the Transaction. In lieu of any such fractional shares, each holder of Clarica Common Shares who would otherwise be entitled to receive a fraction of a Sun Life Common Share will receive a cash payment equal to such holder's pro rata portion of the net proceeds received from aggregating all such fractional interests and selling them in the open market.
  - 9. Options to purchase Clarica Common Shares ("Clarica Options") have been granted pursuant to the Clarica Canadian and United States Management Stock Incentive Plans (the "Clarica Option Plans"). As of December 31, 2001, there were Clarica Options outstanding which, when vested, would be exercisable to acquire a total of 3,084,500 Clarica Common Shares. The terms of the Clarica Option Plans provide that all unvested Clarica Options will vest immediately prior to a "change of control" of Clarica as defined in the Clarica Option Plans. This definition would include the completion of the Transaction. The Clarica Option Plans further provide that following the completion of the Transaction, all outstanding Clarica Options will thereafter be exercisable to acquire the same per share consideration as was received by holders of Clarica Common Shares pursuant to the Transaction.
  - 10. The Transaction Agreement contemplates that, subject to the receipt of all required approvals, Clarica will amend the terms of the Clarica Option Plans to provide that each unexercised Clarica Option outstanding at the Closing Time will be exchanged for an option under the Clarica Option Plans to acquire that number of Sun Life Common Shares as is equal to the product of the number of Clarica Common Shares that were issuable on exercise of such Clarica Option immediately prior to the Closing Time multiplied by the Exchange Ratio and rounded down to the nearest whole number of Sun Life Common Shares (a "New Clarica Option"). Sun Life has agreed under the terms of the Transaction Agreement to issue the appropriate number of Sun Life Common Shares on the exercise of the New Clarica Options. The term to expiry, conditions to and manner of exercising and all other terms and conditions of such New Clarica Option will otherwise be unchanged from those of the relevant Clarica Option. New Clarica Options will be non-transferable other than in certain limited circumstances.
  - 11. The Transaction has been voted on and approved by holders of Clarica Common Shares and holders of Clarica participating policies and holders of Clarica non-participating policies issued by The Mutual Life Assurance Company of Canada on or before March 31, 1995 ("Clarica Policyholders") at a

meeting held on March 6, 2002 (the "Clarica Meeting"). Under the ICA, the Transaction required the favourable vote of at least 66 2/3% of the votes cast by the holders of the Clarica Common Shares voting separately as a class and the favourable vote of at least 66 2/3% of the votes cast by holders of the Clarica Common Shares and the Clarica Policyholders voting together at the Clarica Meeting. The Clarica Meeting was held in accordance with the ICA.

12. In connection with the Clarica Meeting, Clarica and Sun Life have prepared and Clarica has delivered to the Clarica Shareholders and the Clarica Policyholders entitled to delivery of policyholder meeting materials, a management information circular dated January 11, 2002 (the "Clarica Circular"). In addition to containing a detailed description of the Transaction, the Clarica Circular was prepared in conformity with the provisions of the Act and contains prospectus-level disclosure of the business and affairs of each of Clarica and Sun Life.
13. The steps under the Transaction, the exercises of the Dissent Right, if any, the amendment to the Clarica Option Plans and the exercises of the New Clarica Options, if any, involve or may involve a number of trades of securities (collectively, the "Trades") and there may be no registration or prospectus exemption available under the Legislation for certain of the Trades.
14. A holder of Clarica Common Shares will make one fundamental investment decision at the time when such holder votes in respect of the Transaction and/or determines whether to dissent in respect thereof. As a result of this decision, a holder of Clarica Common Shares will ultimately receive Sun Life Common Shares in exchange for the Exchangeable Shares held by such holder or in payment of the fair value of the Clarica Common Shares formerly held by such holder. The holders of Clarica Options are not being asked to make any investment decision and, absent the amendment of the Clarica Option Plans contemplated above, would receive Exchangeable Shares upon the exercise of their Clarica Options following the completion of the Transaction which would then be immediately exchanged for Sun Life Common Shares. The contemplated changes in respect of the Clarica Options have been proposed in order to achieve the same economic result on a basis that does not disadvantage the holder of Clarica Options from a tax perspective.
15. Sun Life has applied to list the Sun Life Common Shares to be issued or made issuable pursuant to the Transaction, the exercise of the Dissent Right and the amendment to the Clarica Option Plans on the Toronto and New York stock exchanges.

**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 under the Legislation is that the Registration and Prospectus Requirements shall not apply to the Trades provided that the first trade in any security acquired pursuant to this Decision in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public under the Legislation of such Jurisdiction (the "Applicable Legislation") unless in respect of a first trade of Sun Life Common Shares

- (a) except in Quebec, the conditions in subsections (3) or (4) of section 2.6 of M.I. 45-102 Resale of Securities are satisfied; and
- (b) in Quebec,
  - (i) the issuer or one of the parties to the Transaction is and has been a reporting issuer in Quebec for the 12 months immediately preceding the trade,
  - (ii) no unusual effort is made to prepare the market or to create demand for the securities that are the subject of the trade,
  - (iii) no extraordinary commission or consideration is paid to a person or company in respect of the trade, and
  - (iv) if the selling shareholder is an insider or officer of the issuer, the selling shareholder has no reasonable grounds to believe that the issuer is in default of securities legislation.

March 20, 2002.

"Paul Moore"

"Theresa McLeod"



2.1.6 Northwest Mutual Funds Inc. and Northwest International 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  
NORTHWEST MUTUAL FUNDS INC.  
AND  
NORTHWEST RSP INTERNATIONAL FUND

MRRS DECISION DOCUMENT

**WHEREAS** the Canadian securities regulatory authority or regulator (the "**Decision Maker**") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland and Labrador (collectively, the "**Jurisdictions**") has received an application (the "**Application**") from Northwest Mutual Funds Inc. ("**Northwest**") in its own capacity and on behalf of Northwest RSP International Fund (the "**Top Fund**"), for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that the following restrictions and requirements contained in the Legislation (the "**Applicable Requirements**") shall not apply to Northwest or the Top Fund, as the case may be, in respect of certain investments to be made by the Top Fund in Northwest International Fund (the "**Underlying Fund**"):

- A. the restrictions prohibiting a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder; and
- B. the requirements for a management company, or in British Columbia, a mutual fund manager, to file a report relating to a purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies.

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

**AND WHEREAS** Northwest has represented to the Decision Makers that:

1. Northwest is a corporation established under the laws of Ontario and its head office is located in Toronto, Ontario. Northwest is the administrative manager, trustee and promoter of the Top Fund and the Underlying Fund.
2. The Top Fund and the Underlying Fund are open-end mutual fund trusts established under the laws of Ontario. Units of the Top Fund and Underlying Fund are qualified for distribution in all Jurisdictions under a simplified prospectus and annual information form each dated April 6, 2001 (together, the "**Prospectus**").
3. The Top Fund and the Underlying Fund are reporting issuers in each of the Jurisdictions and are not in default of any requirements of the Legislation.
4. The investment objective of the Top Fund, as set out in the Prospectus, is to provide long-term capital growth that is 100% linked to the returns of the Underlying Fund by using forward contracts or other derivatives based on the units of the Underlying Fund or all or substantially all of the securities forming part of the portfolio of the Underlying Fund. The Fund may also invest directly in units of the Underlying Fund, as well as in money market instruments and/or bank deposits and similar investments.
5. The investment objective of the Underlying Fund is achieved through investment primarily in foreign securities. The Underlying Fund's investment objective does not include investing directly or indirectly in other mutual funds.
6. To achieve its investment objective, the Top Fund invests its assets such that the units of the Top Fund will be "qualified investments" for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered retirement income funds, and deferred profit sharing plans (collectively, "**Registered Plans**") and will not constitute "foreign property" under the *Income Tax Act* (Canada). This is primarily achieved through the implementation of a derivative strategy that provides a return linked to the returns of the Underlying Fund. The Top Fund also invests a portion of its assets directly in securities of the Underlying Fund. This investment is at all times below the maximum foreign property limit prescribed for Registered Plans (the "**Permitted Limit**").
7. The amount of direct investment by the Top Fund in the Underlying Fund is adjusted from time to time so that, except for the transitional cash (i.e. cash from purchases not yet invested or cash held to satisfy redemptions), the aggregate of the derivative

exposure to, and direct investment in, the Underlying Fund equals 100% of the assets of the Top Fund.

8. Except to the extent evidenced by this Decision and specific approvals granted by the Decision Makers pursuant to National Policy No. 39 (the predecessor to National Instrument 81-102 Mutual Funds ("**NI 81-102**")), the investments by the Top Fund in the Underlying Fund have been structured to comply with the investment restrictions of the Legislation and NI 81-102.
9. In the absence of this Decision, the Top Fund is prohibited from knowingly making or holding an investment in the Underlying Fund in which the Top Fund alone or together with one or more related mutual funds is a substantial security holder.
10. In the absence of this Decision, Northwest is required to file a report on every purchase or sale of units of the Underlying Fund by the Top Fund.
11. The investments by the Top Fund in units of the Underlying Fund represent the business judgment of "responsible persons" (as defined in the Legislation) uninfluenced by considerations other than the best interests of the Top Fund.

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

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

**THE DECISION** of each Decision Maker pursuant to the Legislation is that the Applicable Requirements shall not apply so as to prevent the Top Fund from making or holding an investment in units of the Underlying Fund, or so as to require Northwest to file a report relating to the purchase or sale of such units;

**PROVIDED THAT** in respect of the investments by the Top Fund in units of the Underlying Fund:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the matters in section 2.5 of NI 81-102.
2. the Decision shall only apply if, at the time the Top Fund makes or holds an investment in the Underlying Fund, the following conditions are satisfied:
  - (a) the units of both the Top Fund and the Underlying Fund are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form which has been

filed with and accepted by the Decision Maker;

- (b) the investment by the Top Fund in the Underlying Fund is compatible with the fundamental investment objective of the Top Fund;
- (c) the investment objective of the Top Fund discloses that the Top Fund invests directly and, if applicable, indirectly (through derivative exposure), in the Underlying Fund, the name of the Underlying Fund and that the Top Fund is fully eligible for Registered Plans;
- (d) the Underlying Fund is not a mutual fund whose investment objective includes investing directly or indirectly in other mutual funds;
- (e) the Top Fund restricts its direct investment in the Underlying Fund to a percentage of its assets that is within the Permitted Limit;
- (f) there are compatible dates for the calculation of the net asset value of the Top Fund and the Underlying Fund for the purpose of the issue and redemption of units of such mutual funds;
- (g) no sales charges are payable by the Top Fund in relation to its purchases of units of the Underlying Fund;
- (h) no redemption fees or other charges are charged by an Underlying Fund in respect of the redemption by the Top Fund of units of the Underlying Fund owned by the Top Fund;
- (i) no fees or charges of any sort are paid by the Top Fund and the Underlying Fund, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the Top Fund's purchase, holding or redemption of the units of the Underlying Fund;
- (j) the arrangements between or in respect of the Top Fund and the Underlying Fund are such as to avoid the duplication of management fees;
- (k) any notice provided to unitholders of the Underlying Fund as required by applicable laws or the constating documents of the Underlying Fund, has been delivered by the Top Fund to its unitholders;
- (l) all of the disclosure and notice material prepared in connection with a meeting of

unitholders of the Underlying Fund and received by the Top Fund has been provided to its unitholders, the unitholders have been permitted to direct a representative of the Top Fund to vote its holdings in the Underlying Fund in accordance with their direction, and the representative of the Top Fund has not voted its holdings in the Underlying Fund except to the extent the unitholders of the Top Fund have directed;

- (m) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Top Fund, unitholders of the Top Fund have received the annual and, upon request, the semi-annual financial statements of the Underlying Fund in either a combined report, containing financial statements of the Top Fund and the Underlying Fund, or in a separate report containing the financial statements of the Underlying Fund; and
- (n) to the extent that the Top Fund and the Underlying Fund do not use a combined simplified prospectus and annual information form containing disclosure about the Top Fund and the Underlying Fund, copies of the simplified prospectus and annual information form of the Underlying Fund have been provided upon request to unitholders of the Top Fund and the right to receive these documents is disclosed in the simplified prospectus of the Top Fund.

April 16, 2002.

“Theresa McLeod”

“H. Lorne Morphy”

2.2 Orders

2.2.1 Del Roca Energy Ltd. - 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 British Columbia since 1998 and in Alberta since 1996 - issuer listed and posted for trading on the Canadian Venture Exchange-continuous disclosure requirements of British Columbia and Alberta are substantially the same as those of Ontario.

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

**AND**

**IN THE MATTER OF  
DEL ROCA ENERGY LTD.**

**ORDER  
(Subsection 83.1(1))**

**UPON** the application of Del Roca Energy Ltd. ("Del Roca") for an order pursuant to subsection 83.1(1) of the Act deeming Del Roca 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** Del Roca representing to the Commission as follows:

1. Del Roca was created by Certificate of Amalgamation issued pursuant to the provisions of the *Business Corporations Act* (Alberta) ("the ABCA") on October 31, 1998. The predecessor companies were Del Roca Energy Inc. and Tekerra Gas Inc.
2. Del Roca Energy Inc. was incorporated under the name Coulee Ridge Capital Corp. ("Coulee") by Certificate of Incorporation issued pursuant to the provisions of the ABCA on May 15, 1996. By a Certificate of Amendment dated August 13, 1996 Coulee amended its articles to remove the private company restrictions. Pursuant to a prospectus dated August 29, 1996 Coulee made its initial public offering of 2,000,000 common shares at \$0.10 per share for gross proceeds of \$200,000. The common shares of Coulee were listed and posted for trading on The Alberta Stock Exchange ("ASE") on October 8, 1996.
3. Effective September 26, 1997 Coulee acquired all the issued and outstanding shares of Del Roca Resources Ltd., a private oil and gas company, and certain petroleum and natural gas properties from Bow Rio Investments. These transactions constituted the major transaction of Coulee pursuant

to Policy 4.11 of the Alberta Securities Commission and Circular No.7 of the ASE. Effective at the opening of business on November 4, 1997 Coulee was no longer considered a Junior Capital Pool corporation.

4. Effective October 1, 1997 Coulee changed its name to Del Roca Energy Inc. and on December 31, 1997 amalgamated with its wholly-owned subsidiary, Del Roca Resources Ltd., to continue as Del Roca Energy Inc.
5. Tekerra was incorporated under the ABCA on February 19, 1993 as 555931 Alberta Ltd. By Certificate of Amendment dated October 21, 1993 it changed its name to Tekerra Gas Inc. and the share capital was amended. On August 22, 1996 Tekerra amalgamated with Canadian Arctic Petroleum Ltd. and continued under that name. On September 16, 1996 the company changed its name to Tekerra Gas Inc.
6. The common shares of Del Roca are listed on the Canadian Venture Exchange ("CDNX") and trade under the symbol "DRQ".
7. Del Roca has been a reporting issuer in the Province of Alberta pursuant to the *Securities Act* (Alberta) (the "Alberta Act") since August 29, 1996, and a reporting issuer in the Province of British Columbia pursuant to the *Securities Act* (British Columbia) (the "B.C. Act") since October 31, 1998 for the merged entity and since September 1980 for the predecessor Canadian Arctic Petroleum Ltd.. Del Roca is not a reporting issuer or the equivalent under securities legislation of any other jurisdiction in Canada.
8. The common shares of Del Roca, or its predecessor companies have been listed on the CDNX, or its predecessors, since October 8, 1996, and Del Roca is in compliance with all requirements of CDNX.
9. Del Roca's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, without nominal or par value. As at the date of this application, there are 16,986,227 common shares (net of 141,500 common shares recently purchased under a normal course issuer bid and to be cancelled shortly) and no preferred shares issued and outstanding in the capital of Del Roca. In addition to the outstanding capital of Del Roca, there are currently 1,090,000 common shares reserved for issuance pursuant to the exercise of previously granted stock options, 418,260 common shares reserved for issuance pursuant to agent's options, and 3,539,166 common shares reserved for issuance pursuant to certain special warrants.
10. Del Roca is not in default of any of the requirements of the Alberta Act or the BC Act.

11. Del Roca, or its predecessor companies, has maintained a continuous disclosure record and has been electronically filing documents via the System for Electronic Documentation Analysis and Retrieval since:

- (a) July 1997 in the case of Del Roca Energy Inc.; and
- (b) February 1997 in the case of Tekerra Gas Inc.

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

13. To the knowledge of management of Del Roca, Del Roca has not been the subject of any enforcement actions by the Alberta or British Columbia securities commissions or by CDNX.

14. Neither Del Roca nor any of its officers, directors or controlling shareholders has:

- (a) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority,
- (b) entered into a settlement agreement with a Canadian securities regulatory authority, or
- (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

**AND UPON** the Director 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 Del Roca be deemed a reporting issuer for the purposes of Ontario securities law.

April 8, 2002.

“Margo Paul”

**2.2.2 Fidelity Capital Structure Corp. and Fidelity Canadian Short Term Income Class - ss. 59(1)**

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

**AND**

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

**AND**

**IN THE MATTER OF  
FIDELITY CAPITAL STRUCTURE CORP.  
AND  
FIDELITY CANADIAN SHORT TERM INCOME CLASS**

**ORDER**

**(Subsection 59(1) of Schedule I to the Regulation)**

**UPON** the application of Fidelity Capital Structure Corp. (the “Corporation”), on behalf of Fidelity Canadian Short Term Income Class (the “Fund”), a class of shares of the Corporation, for an order pursuant to subsection 59(1) of Schedule I of the Regulation (the “Schedule”) that the fees payable by the Fund to the Ontario Securities Commission (the “Commission”) pursuant to subsection 14(2) of the Schedule with respect to the distribution of securities of the Fund in Ontario, be based on the applicable percentage of the aggregate net sales, rather than aggregate gross sales, realized in Ontario;

**AND UPON** considering the application and the recommendations of the staff of the Commission;

**AND UPON** the Corporation having represented to the Commission that:

1. The Fund is one of 18 classes of mutual fund shares of the Corporation, a mutual fund corporation incorporated under the laws of the Province of Alberta.
2. The investment objective of the Fund is to achieve a high level of current income while seeking to protect capital and to maintain liquidity. The Fund seeks a similar return to Fidelity Canadian Money Market Fund (the “Underlying Fund”) by investing substantially all of its assets in units of the Underlying Fund.
3. Fidelity Investments Canada Limited (“Fidelity”) is a corporation continued under the laws of the Province of Ontario and its head office is located in Ontario.
4. Fidelity is the manager of the Fund and the Underlying Fund.

5. Shares of the Fund and units of the Underlying Fund are currently qualified for distribution in all of the provinces and territories of Canada pursuant to simplified prospectuses and annual information forms dated August 30, 2001 and September 28, 2001, respectively.
6. The Underlying Fund is an open-ended mutual fund trust governed by the laws of the Province of Ontario.
7. Each of the Fund and the Underlying Fund are reporting issuers in each of the provinces and territories of Canada and are not in default of any requirements of the securities acts or regulations applicable in each of the provinces and territories of Canada.
8. Because the Fund is in its first year of distribution, the Fund has not yet paid any fees relating to the distribution of its securities under section 14 of the Schedule.
9. The Fund's returns will be like a money market fund's returns rather than an equity fund's returns.
10. The prospectus disclosure for the Fund indicates that the Fund is suitable as a cash component equivalent and that the Fund is suitable for investors wishing to invest their funds temporarily in the Fund with a low level of risk.
11. The Fund is not a money market fund within the meaning of Section 1.1 of National Instrument 81-102 ("NI 81-102") because the Fund invests primarily in units of the Underlying Fund. Accordingly, pursuant to section 14 of the Schedule, the Fund will be required to pay annual fees based on a percentage of the aggregate gross proceeds realized in Ontario from the distribution of securities of the Fund rather than based on a percentage of the aggregate net sales in Ontario if the Fund was treated as a money market mutual fund.
12. If the Fund is required to pay fees based on gross proceeds rather than on net sales, the Fund will be paying higher fees than the Underlying Fund, the latter of which fits within the definition of money market fund in NI 81-102.

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

**IT IS ORDERED** pursuant to subsection 59(1) of the Schedule that the fees payable by the Fund pursuant to subsection 14(2) of the Schedule with respect to the distribution of securities of the Fund be based on the applicable percentage of the aggregate net sales realized in Ontario from the distribution of securities of the Fund, being the rate applicable to money market mutual funds, rather than based on the applicable percentage of the aggregate gross proceeds realized in Ontario from the distribution of securities of the Fund.

**AND IT IS FURTHER ORDERED** pursuant to subsection 59(1) of the Schedule that the filing fees paid by the Fund pursuant to subsection 13(3) of the Schedule on each renewal of its simplified prospectus are the fees applicable to a money market mutual fund.

**PROVIDED THAT** the Fund pay the difference owing between the fees paid under clause 13(3)(a) of the Schedule at the time of the filing of the preliminary prospectus for the Fund and the fees applicable to a money market mutual fund under clause 13(3)(b) of the Schedule within 10 business days of the date of this order.

April 12, 2002.

"Theresa McLeod"

"H. Lorne Morphy"

**2.2.3 CMP 1999 Resource Limited Partnership s. 83**

**Headnote**

Issuer has only one securityholder - issuer deemed to have ceased to be a reporting issuer under the Act.

**Applicable Ontario Statutory Provisions**

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

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

**AND**

**IN THE MATTER OF  
CMP 1999 RESOURCE LIMITED PARTNERSHIP**

**ORDER  
(Section 83 of the Act)**

**UPON** the application of CMP 1999 Resource Limited Partnership (the "Partnership") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 83 of the Act, deeming the Partnership to have ceased to be a reporting issuer under the Act.

**AND UPON** the Partnership having represented to the Commission that:

1. The Partnership is a limited partnership formed pursuant to the *Limited Partnerships Act* (Ontario) by declaration of partnership filed on November 17, 1999. The General partner of the Partnership is CMP Funds Management Inc. The Partnership's head office is located in Toronto, Ontario.
2. The Partnership became a reporting issuer in Ontario pursuant to a receipt for final prospectus dated December 22, 1999.
3. The Partnership is not in default of any of the requirements of the Act or the rules or regulations made thereunder.
4. On November 9, 2001, all outstanding limited partnership units (the "Units") of the Partnership except those Units held by DCC Equities Limited, an affiliate of CMP Funds Management Inc., were repurchased for cancellation with the approval of all of the limited partners of the Partnership. The repurchase was carried out in accordance with the terms and conditions of the limited partnership units made by an amendment dated November 9, 2001 to the amended and restated limited partnership agreement of the Partnership.
5. As a result of the November 9, 2001 amendment, all of the outstanding Units are held by DCC Equities Limited.

6. The Units have not been and currently are not listed or quoted on any exchange or market.

7. Other than the Units, the Partnership has no other securities, including debt securities, outstanding.

8. The Partnership does not intend to seek public financing by way of an offering of its securities.

**AND UPON** the Commission being satisfied that to grant his order would not be prejudicial to the public interest;

**IT IS ORDERED** pursuant to section 83 of the Act that the Partnership is deemed to cease to be a reporting issuer for the purposes of the Act.

April , 2002.

"John Hughes"

**2.2.4 Business Development Bank of Canada - s. 83**

**Headnote**

Crown Corporation, that became a reporting issuer by virtue of the listing of its notes on the TSE, deemed to have ceased to be a reporting issuer - Except for shares held in trust for Crown, all issued and outstanding securities of issuer are securities referred to in paragraph 1(a) of subsection 35(2) of the Act.

**Applicable Ontario Statutory Provisions**

Securities Act, R.S.O. 1990, c.S.5, as am. ss. 35(2)1(a), 73(1)(a), 83 and 83.1.

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

**AND**

**IN THE MATTER OF  
THE BUSINESS DEVELOPMENT BANK OF CANADA**

**ORDER  
(Section 83)**

**UPON** the application (the "Application") of Business Development Bank of Canada (the "Bank") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 83 of the Act, that the Bank be deemed to have ceased to be a reporting issuer.

**AND UPON** the Bank having represented to the Commission that:

1. the Bank is a body corporate governed by the *Business Development Bank of Canada Act* (The "BDB Act");
2. the purpose of the Bank is to support Canadian entrepreneurship by providing financial and management services and by issuing securities or otherwise raising funds or capital in support of those services;
3. subsection 3(4) of the BDB Act provides that the Bank is for all purposes an agent of Her Majesty in right of Canada (the "Federal Crown");
4. subsection 23(2) of the BDB Act provides that the shares of the Bank may be issued only to the Designated Minister (as defined in the BDB Act) to be held in trust for the Federal Crown;
5. subsection 18(1) of the BDB Act provides that the Bank may borrow money by issuing and selling or pledging debt obligations of the Bank;
6. the Bank has, and may, from time to time, borrow money by issuing notes (the "Notes") that constitute direct unconditional obligations of the Bank which

are also direct unconditional obligations of the Federal Crown;

7. the terms of any Notes issued by the Bank may provide for a return to the holder that is linked to various market indices (such as currencies, commodities, interest rates, swap rates), an equity index or basket of securities or equity indices or other underlying interests;
8. except for shares that are held in trust for the Federal Crown, all other securities ("Outstanding Securities") of the Bank that are issued and outstanding are securities ("exempt securities") that:
  - (a) are referred to in paragraph 1(a) of subsection 35(2) of the Act;
  - and
  - (b) do not, by their terms, limit the liability of the Bank to the assets of the Bank, or provide for any return that may be dependent upon the financial condition or performance of the Bank, so that the financial condition or performance of the Bank is not relevant to any holder of the Outstanding Securities;
9. the Outstanding Securities were issued by the Bank in reliance upon the prospectus exemption contained in clause 73(1)(a) of the Act that refers to securities in paragraph 1(a) of subsection 35(2) of the Act;
10. the Bank may, from time to time, arrange for the listing of its securities on The Toronto Stock Exchange (the "TSE"), so that upon such listing the Bank may, by virtue of the definition of "reporting issuer" in the Act, become a reporting issuer, in which case, the Bank intends to apply to the Commission for an order, pursuant to section 83 of the Act, that it be deemed to have ceased to be a reporting issuer;
11. on December 6, 1999, the Bank became a reporting issuer by virtue of the transfer of the listing of the Internet Stock Basket Protected Notes Due 2009 of the Bank from the Montreal Exchange to the TSE. On January 21, 2000, the Commission issued an order pursuant to section 83 of the Act deeming the Bank to have ceased to be a reporting issuer under the Act;
12. on February 7, 2000, the Bank became a reporting issuer by virtue of the listing of Global Giants Equity-Linked Notes, Series 1 of the Bank on the TSE. On February 29, 2000, the Commission issued an order pursuant to section 83 of the Act deeming the Bank to have ceased to be a reporting issuer under the Act;



13. on April 28, 2000, the Bank became a reporting issuer by virtue of the listing of International Equity Index Linked Notes, Series 1 of the Bank on the TSE. On June 2, 2000, the Commission issued an order pursuant to section 83 of the Act deeming the Bank to have ceased to be a reporting issuer under the Act;
14. on December 6, 2000, the Bank became a reporting issuer by virtue of the listing of Global Equity Index Linked Notes, Series 1 of the Bank on the TSE. On January 5, 2001, the Commission issued an order pursuant to section 83 of the Act deeming the Bank to have ceased to be a reporting issuer under the Act;
15. on March 22, 2001, the Bank became a reporting issuer by virtue of the listing of Nasdaq-100 Index<sup>®</sup> Linked Notes, Series 1 and Nasdaq-100 Index<sup>®</sup> Linked Notes, Series 2 of the Bank on the TSE. On April 15, 2001, the Commission issued an order pursuant to section 83 of the Act deeming the Bank to have ceased to be a reporting issuer under the Act;
16. on April 27, 2001, the Bank became a reporting issuer by virtue of the listing of Nasdaq-100 Index<sup>®</sup> Linked Notes, Series 3 of the Bank on the TSE. On July 17, 2001, the Commission issued an order pursuant to Section 83 of the Act deeming the Bank to have ceased to be a reporting issuer under the Act;
17. on May 30, 2001, the Bank became a reporting issuer by virtue of the listing of Nasdaq-100 Index<sup>®</sup> Linked Notes, Series 4 of the Bank on the TSE. On July 24, 2001, the Commission issued an order pursuant to Section 83 of the Act deeming the Bank to have ceased to be a reporting issuer under the Act;
18. on June 29, 2001, the Bank became a reporting issuer by virtue of the listing of Canadian Technology Equity Linked Notes, Series 1 of the Bank on the TSE. On July 31, 2001, the Commission issued an order pursuant to Section 83 of the Act deeming the Bank to have ceased to be a reporting issuer under the Act;
19. on September 27, 2001, the Bank became a reporting issuer by virtue of the listing of Principal Protected Blue Chip Technology Linked Notes, Series 1 on the TSE. On November 16, 2001, the Commission issued an order pursuant to Section 83 of the Act deeming the Bank to have ceased to be a reporting issuer under the Act ;
20. On December 12, 2001, the Bank became a reporting issuer by virtue of the listing of Principal Protected European Stock Index Linked Notes, Series 2 on the TSE. The Bank is not in default of any requirements of the Act or regulations made thereunder.
21. on January 31, 2002, the Bank became a reporting issuer by virtue of the listing of Principal Protected S&P 500 Index Linked notes, Series 3 on the TSE. The Bank is not in default of any requirements of the Act or regulations made thereunder.
22. if the Outstanding Securities should cease to be exempt securities, the Bank will so advise the Director, so that the Director may consider whether, in the circumstances, it may be appropriate to apply to the Commission for an order, pursuant to section 83.1 of the Act, deeming the Bank to be a reporting issuer for the purposes of Ontario securities laws.

**AND UPON** considering the Application and the recommendations of staff of the Commission;

**AND UPON** the Commission being satisfied that to do so would be in the public interest;

**IT IS ORDERED**, pursuant to section 83 of the Act, that the Bank is deemed to have ceased to be a reporting issuer.

March 1, 2002.

“R. Stephen Paddon”

“H. Lorne Morphy”

**2.2.5 The Independent Electricity Market Operator - Exemption s. 147**

**Headnote**

Section 147 - relief from requirement to pay fees and file forms in connection with trades which are exempt from prospectus and registration requirements.

**Statute Cited**

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

**Applicable Ontario Rule**

OSC Rule 45-501, s.2.3, s.7.5.

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

**AND**

**IN THE MATTER OF  
THE INDEPENDENT ELECTRICITY MARKET OPERATOR**

**EXEMPTION ORDER  
(Section 147)**

**UPON** the application of the Independent Electricity Market Operator (the "**IMO**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to section 147 of the Act exempting the IMO from the requirements to file forms and fees with the Commission pursuant to Part 7 of Commission Rule 45-501;

**AND UPON** considering the application and the recommendation of the staff of the Commission;

**AND UPON** the IMO having represented to the Commission that:

**BACKGROUND**

1. the IMO is an independent, not for profit, non share capital corporation created by statute pursuant to Part II of the *Electricity Act, 1998* (Ontario) (the "**Electricity Act**");
2. the Government of Ontario has assigned the responsibility for creating and administering the IMO-administered markets to the IMO;
3. the IMO has been allocated the statutory mandate of meeting the following objects as set out in subsection 5(1) of the *Electricity Act*:
  - (a) to exercise and perform the powers and duties assigned to the IMO under the *Electricity Act*, the *Market Rules* and the OEB Licence as issued by the OEB;

- (b) to enter into agreements with transmitters giving the IMO authority to direct the operations of their transmission systems;
- (c) to direct the operations and maintain the reliability of the IMO-controlled grid to promote the purposes of the *Electricity Act*;
- (d) to establish and operate the IMO-administered markets to promote the purposes of the *Electricity Act*;
- (e) to collect and provide to the public, information relating to the current and future electricity needs of Ontario and the capacity of the integrated power system to meet those needs;
- (f) to participate in the development of standards and criteria relating to the reliability of Ontario's transmission systems; and
- (g) to work with the responsible authorities outside of Ontario to efficiently and effectively co-ordinate the IMO's activities with their activities;

4. the markets administered and operated by the IMO in accordance with the *Electricity Act* consist of both physical and financial markets;
5. the physical markets govern the real-time operation of the power system, allowing load and generation to be balanced, flows on the transmission system to be within limits and voltage and frequency to be maintained;
6. the financial markets consist of: (i) the Energy Forward Market (the "**EFM**"), wherein market participants can acquire financial contracts linked to the real-time energy market on a forward basis; and (ii) the Transmission Rights Market (the "**TRM**"), wherein market participants can acquire financial contracts linked to locational price differences across the interties;
7. in carrying out its objects, the IMO is empowered to and has developed a codified set of rules to govern the wholesale electricity marketplace in Ontario (collectively, the "**Market Rules**");
8. the provisions of the *Market Rules* are intended to be complete codes, covering the form and content of the transactions (collectively the "**Contracts**") to be entered into by market participants in the EFM and the TRM (collectively, the "**Financial Markets**");
9. the *Contracts* are issued by the IMO through the auction processes stipulated in the *Market Rules*;
10. all persons interested in becoming authorized market participants in either or both of the Financial

Markets (whether as electricity industry participants or otherwise) must be approved in advance by the IMO. Trades made to or among authorized market participants in the Financial Markets are exempt from the prospectus and registration requirements in Ontario since all authorized market participants will be required to meet financial thresholds that are equal to those to be applied under Commission Rule 45-501 dealing with “accredited investors”;

approved by the Board of Directors of the IMO by a least a two-thirds majority and then submitted to the Minister for final approval. The Market Rules are publicly available and are accessible on the Internet and may be downloaded from the IMO’s web site at: [www.theimo.com](http://www.theimo.com);

**REGULATORY OVERSIGHT**

- 11. The IMO has made an application pursuant to National Policy 12-201 for a decision under the securities legislation of certain jurisdictions that the IMO be exempt from the requirements to be registered to trade in a security and to file a preliminary prospectus and a final prospectus and to receive receipts therefore (the “**MRRS Application**”). The IMO anticipates receiving a favourable decision with respect to the MRRS Application.
- 12. The IMO has made a separate application (the “**Exchange Application**”) to the Commission for exemptive relief related to the operation of the Financial Markets as a stock exchange and a clearing agency. This relief was sought only in Ontario, since the trading facilities of the IMO will exist only in Ontario and all trading through the IMO will be executed only through the facilities of the IMO in Ontario. This relief was granted pursuant to an order of the Commission dated March 6, 2002 (the “**Exchange Order**”);
- 13. the IMO operates pursuant to the licence (the “**OEB Licence**”) granted to it by the Ontario Energy Board (the “**OEB**”) under the *Ontario Energy Board Act, 1998* (the “**OEB Act**”). The OEB is the sole regulatory body under the Electricity Act vested with the powers of oversight in connection with the business and/or aim of the IMO, including its operation of the Financial Markets;
- 14. the IMO is bound to make certain reports to the Minister of Energy, Science and Technology (the “**Minister**”) pursuant to the Electricity Act and to the OEB pursuant to the terms of the OEB Licence;
- 15. the IMO, its operation of the Financial Markets and the Financial Markets themselves shall not be subject to the regulatory oversight of any provincial securities commission or security regulatory authority;
- 16. section 32 of the Electricity Act permits the IMO to make rules “...establishing and governing markets related to electricity...”. As part of its efforts, the Market Design Committee prepared a set of “Market Rules for the Ontario Electricity Market” in early 1999. Since that time, the IMO has been refining those rules. The approval process at the present time requires any new rule or rule amendment to be

- 17. pursuant to subsection 32(6) of the Electricity Act, upon opening of the IMO-administered markets, the Minister will transfer formal rule making authority to the IMO, subject at all times to the appeal rights to the OEB, as set out in the Electricity Act. In addition, the IMO has the power to amend the Market Rules on an urgent basis pursuant to section 34 of the Electricity Act, subject at all times to the appeal rights to the OEB, as set out in the Electricity Act;
- 18. all Contracts concluded within the Financial Markets will conform to the Market Rules, and all market participants will receive transaction confirmations from the IMO in accordance with the provisions thereof; and
- 19. the IMO has the mandate to administer, supervise and enforce all aspects of the IMO-administered markets and has put in place employees and diagnostic software to fulfill this function.

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

**IT IS HEREBY ORDERED** by the Commission that, pursuant to section 147 of the Act, the IMO and all authorized market participants in the Financial Markets are exempt from the requirements to file forms and fees with the Commission pursuant to Section 7.5 of Commission Rule 45-501, provided that:

- (a) the IMO continues to operate pursuant to a valid licence issued by the OEB; and
- (b) that the Exchange Order remains in force and effect;

March 28, 2002.

“Paul M. Moore”

“David A. Brown”

**2.2.6 Sohan Singh Koonar et al. Order and Settlement Agreement - s. 127 and 127.1**

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

**AND**

**IN THE MATTER OF  
SOHAN SINGH KOONAR,  
SPORTS & INJURY REHAB CLINICS INC.,  
SELECTREHAB INC.,  
SHAKTI REHAB CENTRE INC.,  
NIAGARA FALLS INJURY REHAB CENTRE INC.,  
962268 ONTARIO INC.,  
APNA HEALTH CORPORATION AND APNA CARE INC.**

**ORDER  
(Section 127 and 127.1)**

**WHEREAS** on June 18, 2001 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c.S.5, as amended (the "Act") in respect of Sohan Singh Koonar ("Koonar"), Sports & Injury Rehab Clinics Inc. ("SIRCI"), SelectRehab Inc. ("SelectRehab"), Shakti Rehab Centre Inc. ("Shakti"), Niagara Falls Injury Rehab Centre Inc., 962268 Ontario Inc. ("962268"), Apna Health Corporation ("Apna Health"), Apna Care Inc. ("Apna Care") (collectively, the "Respondents");

**AND WHEREAS** the Respondents entered into a settlement agreement dated April 9, 2002 (the "Settlement Agreement") in which the Respondents agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

**AND UPON** reviewing the Settlement Agreement and the Statement of Allegations of Staff of the Commission, and upon hearing submissions from the Respondents and from Staff of the Commission;

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

**IT IS ORDERED THAT:**

- (1) the Settlement Agreement dated April 9, 2002 attached to this Order is hereby approved;
- (2) pursuant to clause 2 of subsection 127(1) of the Act, the Respondents, SIRCI, SelectRehab, Shakti, Niagara Falls Injury Rehab Centre Inc., 962268, Apna Health and Apna Care will cease trading in securities permanently, effective the date of the Order of the Commission approving the proposed settlement agreement herein;
- (3) pursuant to clause 2 of subsection 127(1) of the Act, Koonar will cease trading in securities for a period of ten years effective

the date of the Order of the Commission approving the proposed settlement agreement herein;

- (4) pursuant to clause 7 of subsection 127(1) of the Act, Koonar is required to resign his position as an officer and/or director of the Respondents, SIRCI, SelectRehab, Shakti, Niagara Falls Injury Rehab Centre Inc., 962268, Apna Health and Apna Care, and any other issuer in which he holds the position of officer and/or director, effective the date of the Order of the Commission approving the proposed settlement agreement herein;

- (5) pursuant to clause 8 of subsection 127(1) of the Act, Koonar is prohibited from becoming or acting as an officer and/or director of any issuer for a period of fifteen years effective the date of the Order of the Commission approving the proposed settlement agreement herein;

- (6) pursuant to clause 6 of subsection 127(1) of the Act, the Respondents will be reprimanded by the Commission; and

- (7) pursuant to subsection 127.1(1)(b) of the Act, Koonar will make payment to the Commission in the amount of \$50,000 in respect of a portion of the costs incurred by the Commission and Staff in relation to this proceeding.

April 16, 2002.

"Paul Moore" "Kerry Adams" "Robert Shirrifs"

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

AND

IN THE MATTER OF  
SOHAN SINGH KOONAR,  
SPORTS & INJURY REHAB CLINICS INC.,  
SELECTREHAB INC.,  
SHAKTI REHAB CENTRE INC.,  
NIAGARA FALLS INJURY REHAB CENTRE INC.,  
962268 ONTARIO INC.,  
APNA HEALTH CORPORATION AND APNA CARE INC.

SETTLEMENT AGREEMENT

I INTRODUCTION

1. By Notice of Hearing dated June 18, 2001 (the "Notice of Hearing"), the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Ontario Securities Act* (the "Act"), in the opinion of the Commission, it is in the public interest for the Commission:
  - (a) to make an order that trading in securities by the respondents cease permanently or for such other period as specified by the Commission;
  - (b) to make an order that Sohan Singh Koonar ("Koonar") resign his position as an officer and/or director of the respondents, Sports & Injury Rehab Clinics Inc. ("SIRCI"), SelectRehab Inc. ("SelectRehab"), Shakti Rehab Centre Inc. ("Shakti"), Niagara Falls Injury Rehab Centre Inc., 962268 Ontario Inc. ("962268"), Apna Health Corporation ("Apna Health"), Apna Care Inc. ("Apna Care") and any other issuer in which he holds the position of officer and/or director;
  - (c) to make an order that Koonar is prohibited from becoming or acting as a director or officer of any issuer;
  - (d) to make an order that the respondents or any of them be reprimanded;
  - (e) to make an order that the respondents, or any of them, pay the costs of Staff's investigation in relation to this proceeding;
  - (f) to make an order that the respondents, or any of them, pay the costs of the proceeding incurred by or on behalf of the Commission; and/or
  - (g) to make such other order as the Commission considers appropriate.

II JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceedings initiated in respect of the respondents by the Notice of Hearing in accordance with the terms and conditions set out below. The respondents agree to the settlement on the basis of the facts agreed to as provided in Part III and each of the respondents consents to the making of an Order in the form attached as Schedule "A" on the basis of the facts set out in Part III.
3. This settlement agreement, including the attached Schedule "A" (collectively, the "Settlement Agreement"), will be released to the public only if and when the settlement is approved by the Commission.

III FACTS

4. Koonar is an individual residing in Ontario, and is, and was at all material times, an officer and/or director of SIRCI, SelectRehab, Shakti, Niagara Falls Injury Rehab Centre Inc., 962268, Apna Health Corporation and Apna Care Inc. (collectively, referred to as the "Companies"). Koonar has not been registered to sell securities in any capacity under the Act.
5. Each of the Companies is incorporated under the laws of Ontario, with the exception of Apna Health, which is incorporated under the laws of the State of Delaware. Each of the Companies has not been registered to sell securities in any capacity under the Act. The Companies are not reporting issuers in Ontario.
6. As set out below, during the period from August 1995 to May 1998 (the "material time") Koonar and the Companies traded in securities, where such trading was a distribution of such securities, without having filed a preliminary prospectus and a prospectus and obtaining receipts therefor from the Director as required by section 53(1) of the Act, and without registration contrary to section 25(1) of the Act. As a result of these illegal distributions, an amount in excess of \$1,000,000 was raised from over 300 investors during the material time.

**Trading by the Respondents Without a Prospectus or Registration Contrary to the Requirements of Ontario Securities Law**

***Sports & Injury Rehab Clinics Inc. ("SIRCI")***

7. Between August 21, 1995 and February 29, 1996, 15 investors made payments to SIRCI in the amount of \$534,686. As consideration for these payments, investors received promissory notes from SIRCI (the "SIRCI Notes") in the amount of their payments. The notes provided for interest to

be paid on the principal amount at the rate of 25% per annum.

8. SIRCI and Koonar traded in securities, namely the SIRCI Notes, where such trading constituted a distribution of such securities, without filing and obtaining a receipt for a prospectus and without an exemption to the prospectus requirement, contrary to section 53(1) of the Act. Koonar and SIRCI traded in securities, namely the SIRCI Notes, without registration and without an exemption to the requirement for registration, contrary to section 25(1) of the Act.

**SelectRehab Inc. (“SelectRehab”)**

9. Between August 31, 1996 and December 9, 1996, 28 investors made payments to SelectRehab in the amount of approximately \$408,237. As consideration for these payments, investors received promissory notes from SelectRehab (the “Select Notes”) in the amount of their payments. The notes provided for interest to be paid on the principal amount at the rate of 2% per month and the notes were to be repaid within 45 days of the payment being received by Select.
10. Koonar signed the Select Notes for and on behalf of Shakti, Niagara Falls Injury Rehab Centre Inc., 962268 and SelectRehab. Many of the payments made by investors to Select were deposited into a bank account held in the name of Shakti.
11. Shakti, Niagara Falls Injury Rehab Centre Inc., 962268, SelectRehab and Koonar traded in securities, namely the Select Notes, where such trading constituted a distribution of such securities, without filing and obtaining a receipt for a prospectus and without an exemption to the prospectus requirement, contrary to section 53(1) of the Act. Koonar, Shakti, Niagara Falls Injury Rehab Centre Inc., 962268 and SelectRehab traded in securities, namely the Select Notes, without registration and without an exemption to the requirement for registration, contrary to section 25(1) of the Act.

**Apna Health Corporation (“Apna Health”)**

12. Between April 1, 1997 and approximately January 5, 1998, Koonar and Apna Health sold shares of Apna Health to a number of investors. The 77 shareholders of record in Apna Health owned an aggregate of 11,637,750 issued and outstanding shares and consisted of the following: (i) 27 investors paid either \$1.00 or \$2.00 per share and received shares from the treasury of Apna Health; (ii) 19 investors paid either \$1.00 or \$2.00 per share directly to Koonar and received Apna Health shares that had been previously issued to Koonar; (iii) 27 investors exchanged their Select securities or SIRCI securities for shares in Apna Health; and (iv) the balance of investors received Apna Health shares for services rendered to Apna Health or for no

consideration, as reflected in the records of Apna Health.

13. As referred to above, Koonar sold 44,000 of his Apna Health shares to 19 investors and received funds in the amount of \$72,000 (the “Secondary Trades”). Apna Health received funds in the amount of approximately \$66,000 from the sale of shares to 22 shareholders of record.
14. Apna Health and Koonar traded in securities, namely the Apna Health shares, where such trading constituted a distribution of such securities, without filing and obtaining a receipt for a prospectus and without an exemption to the prospectus requirement, contrary to section 53(1) of the Act.
15. As the distribution of securities by Apna Health in the first instance was a violation of section 53(1) of the Act, the subsequent secondary trading of these shares by Koonar without filing and obtaining a receipt for a prospectus was a further distribution in violation of section 53(1) of the Act.
16. Both Koonar and Apna Health traded in securities, namely the Apna Health shares, without registration and without an exemption to the requirement for registration, contrary to section 25(1) of the Act.

**Apna Care Inc. (“Apna Care”)**

17. Between November, 1997 and the end of January, 1998, Koonar and Apna Care sold units of Apna Care to at least 270 investors for proceeds of at least \$132,200.
18. Each unit consisted of 100 Apna Care shares, and warrants to purchase an additional 100 shares at a specific price (the “Apna Care Warrants”). Units were generally sold to investors at a price of \$200 per unit.
19. Apna Care and Koonar traded in securities, namely the Apna Care units, where such trading constituted a distribution of such securities, without filing and obtaining a receipt for a prospectus and without an exemption to the prospectus requirement, contrary to section 53(1) of the Act. Both Koonar and Apna Care traded in securities, namely the Apna Care units, without registration and without an exemption to the requirement for registration, contrary to section 25(1) of the Act.

**Books and Records /Failure to Account/Use of Proceeds**

20. Koonar and the Companies did not maintain books and records necessary to record properly the business transactions and financial affairs of the Companies. Further, Koonar and the Companies have failed to provide to Staff and investors an accounting of the use of any or all the funds raised from investors who purchased securities in the Companies.

21. Koonar has not made repayment to investors of the principal and interest amounts paid by investors for the purchase of securities in the Companies, with the exception of repayment of principal in the amount of \$108,065 to certain SIRCI investors and repayment of interest in the amount of \$58,873 to certain SIRCI investors. As noted in paragraph 7 above, SIRCI investors made payments in the amount of \$534,686. The SIRCI notes provided for interest to be paid on the principal amount at the rate of 25% per annum.
22. As noted in paragraph 13 above, Koonar received proceeds in the amount of \$72,000 from the illegal trading of his holdings of Apna Health shares to 19 investors (referred to above in paragraph 13 as the Secondary Trades). Koonar has failed to provide to Staff an accounting of the use of these funds.
23. In addition, Koonar and his wife, N.K., also directly received at least \$33,300 of investor funds from investors who purchased shares of Apna Care. Koonar has not provided to Staff an accounting of the use of these funds.
24. During the material time, Koonar used the services of a cheque cashing business to negotiate cheques received from investors for the purchase of shares of Apna Health and Apna Care for cash. These cheques were made payable to Apna Health and Apna Care. Between approximately April, 1997 to December, 1997, Koonar cashed at least 62 cheques from Apna Health and Apna Care investors, payable to Apna Health or Apna Care, for proceeds of at least \$52,600. Koonar has not provided to Staff an accounting of the use of these funds.
25. In summary, during the material time, Koonar and his wife, N.K., directly received proceeds of at least \$157,900 from the Secondary Trades, the Apna Care sales and cheques from investors negotiated for cash, as outlined above in paragraphs 22, 23 and 24. Koonar has not provided to Staff an accounting of the use of these funds.
27. In or about April 1998, Koonar solicited further funds from investors in Apna Care in respect of the exercise of certain Apna Care Warrants (as defined above in paragraph 18). At a meeting held on or about April 16, 1998 for shareholders of the Companies (the "Shareholders Meeting"), Koonar represented to investors that the Apna Care Warrants would expire if such warrants were not exercised by April 30, 1998. Contrary to Koonar's representations, the Apna Care subscription agreements signed by investors did not reflect any expiry date in respect of the exercise of the Apna Care Warrants. Koonar further made representations to investors relating to the future value or price of Apna Care securities.
28. Following the Shareholders Meeting, in or about late April 1998 and May 1998, certain investors made payments to Apna Care for the purchase of additional Apna Care shares.
29. Accordingly, in April and May, 1998, Apna Care and Koonar traded in additional securities, namely the Apna Care shares, where such trading constituted a distribution of such securities, without obtaining a receipt for a prospectus and without an exemption to the prospectus requirement, contrary to section 53(1) of the Act. Koonar and Apna Care traded in securities, namely the Apna Care shares, without registration and without an exemption to the requirement for registration, contrary to section 25(1) of the Act. At the time that Koonar traded in these securities, he was aware that Staff was reviewing whether Koonar and one or more of the Companies had breached the registration and prospectus requirements of Ontario securities law.

**Conduct Contrary To The Public Interest**

30. In summary, during the material time Koonar and the Companies violated Ontario securities law and engaged in conduct contrary to the public interest, by reason of the following
- (a) Koonar and the Companies traded in securities, as outlined above, where such trading constituted a distribution of such securities, without filing and obtaining a receipt for a prospectus and without an exemption to the prospectus requirement, contrary to section 53(1) of the Act;
  - (b) Koonar and the Companies traded in securities without registration and without an exemption to the requirement for registration, contrary to section 25(1) of the Act;
  - (c) Koonar and the Companies failed to maintain books and records necessary to record properly the business transactions and financial affairs of the Companies;

**Representations Made by Koonar to Staff**

26. On or about March 26, 1998, in response to inquiries made by Staff, Koonar told Staff that 37 investors had purchased shares of Apna Care for proceeds in the amount of \$60,000. As described above, by the end of January, 1998, Koonar and Apna Care had sold shares of Apna Care to at least 270 investors for proceeds of at least \$132,200. At the time Koonar made his representation to Staff, he knew or ought to have known that at least 270 investors purchased Apna Care shares for proceeds of at least \$132,200.

**Further Violations of Ontario Securities Law**

- (d) Koonar and the Companies have failed to account for the funds in excess of \$1,000,000 raised from investors from any of the distributions of securities by Koonar and the Companies. In relation to the funds raised, Koonar and his wife, N.K., directly received proceeds of at least \$157,900.00 from investors. Koonar has failed to provide to Staff an accounting of the use of these funds;
- (e) Koonar represented to Staff in March 1998 that 37 investors had purchased shares of Apna Care for proceeds in the amount of \$60,000 when Koonar knew or ought to have known that by the end of January, 1998, Koonar and Apna Care had sold shares of Apna Care to at least 270 investors for proceeds of at least \$132,200;
- (f) Koonar made certain representations to Apna Care shareholders in April 1998, relating to the future value or price of Apna Care securities for the purpose of effecting further sales of Apna Care shares to investors;
- (g) In April, 1998, Koonar solicited further funds from investors in Apna Care in respect of the exercise of certain Apna Care Warrants. At the time Koonar solicited investors for additional funds, Koonar was aware that Staff was reviewing whether Koonar and one or more of the Companies had breached the registration and prospectus requirements of Ontario securities law; and
- (h) In April and May 1998, Apna Care and Koonar traded in additional securities, namely the Apna Care shares, without a prospectus contrary to section 25(1) and section 53(1) of the Act and without registration contrary to section 25(1) of the Act.

**IV POSITION OF KOONAR**

- 31. The respondent, Koonar, has represented to Staff of the Ontario Securities Commission ("Staff") that the Companies are not active and do not have any assets. Koonar further represents to Staff that he has no assets or funds, with the exception of limited funds to pay for household expenses. Koonar acknowledges that he has not provided any documents or information to Staff to support the foregoing representations. In response to Staff's requests for tax returns to be provided by Koonar and the Companies for the past five years, Koonar has represented to Staff that he and the Companies have not filed tax returns for the past five years, and that Koonar is subject to prosecution by Revenue Canada for non-filing of tax returns. Mr. Koonar has

acknowledged that he intends to pay an amount of \$50,000 to the Commission in respect of a portion of the costs incurred by the Commission and its Staff in this proceeding when Koonar is in funds to pay such costs.

**V TERMS OF SETTLEMENT**

- 32. The respondents agree to the following terms of settlement:
    - 1. pursuant to clause 2 of subsection 127(1) of the Act, the respondents, SIRCI, SelectRehab, Shakti, Niagara Falls Injury Rehab Centre Inc., 962268, Apna Health and Apna Care will cease trading in securities permanently, effective the date of the Order of the Commission approving the proposed settlement agreement herein;
    - 2. pursuant to clause 2 of subsection 127(1) of the Act, Koonar will cease trading in securities for a period of ten years effective the date of the Order of the Commission approving the proposed settlement agreement herein;
    - 3. pursuant to clause 7 of subsection 127(1) of the Act, Koonar is required to resign his position as an officer and/or director of the respondents, SIRCI, SelectRehab, Shakti, Niagara Falls Injury Rehab Centre Inc., 962268, Apna Health and Apna Care, and any other issuer in which he holds the position of officer and/or director, effective the date of the Order of the Commission approving the proposed settlement agreement herein;
    - 4. pursuant to clause 8 of subsection 127(1) of the Act, Koonar is prohibited from becoming or acting as an officer and/or director of any issuer for a period of fifteen years effective the date of the Order of the Commission approving the proposed settlement agreement herein;
    - 5. Koonar undertakes not to apply for registration in any capacity under Ontario securities law;
    - 6. pursuant to clause 6 of subsection 127(1) of the Act, the respondents will be reprimanded by the Commission;
- pursuant to subsection 127.1(1)(b) of the Act, Koonar will make payment to the Commission in the amount of \$50,000 in respect of a portion of the costs incurred by the Commission and Staff in relation to this proceeding; and



8. Mr. Koonar agrees to attend, in person, the hearing before the Commission scheduled on Monday April 15, 2002 commencing at 10:00 a.m., to consider this proposed settlement, or such other date as may be agreed to by the parties for the scheduling of the hearing to consider the proposed settlement.

**VI STAFF COMMITMENT**

33. If this Settlement Agreement is approved by the Commission, Staff will not initiate any complaint to the Commission or request the Commission to hold a hearing or issue any order in respect of any conduct or alleged conduct of the respondents in relation to the facts set out in Part III of this Settlement Agreement.

**VII PROCEDURE FOR APPROVAL OF SETTLEMENT**

34. The approval of the settlement as set out in the Settlement Agreement shall be sought at a public hearing before the Commission scheduled for such date as is agreed to by Staff and the respondents in accordance with the procedures described herein and such further procedures as may be agreed upon between Staff and the respondents.

35. If this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting the respondents in this matter and the respondents each agree to waive any right to a full hearing and appeal of this matter under the Act.

36. If this Settlement Agreement is approved by the Commission, the parties to this Settlement Agreement will not make any statement that is inconsistent with this Settlement Agreement.

37. The respondents acknowledge that any or all of the members of the panel of the Commission (the "Hearing Panel"), scheduled to hear the matter on the merits beginning April 15, 2002, may consider this proposed settlement on April 15, 2002, or such other date as may be agreed to by the parties for the scheduling of the hearing to consider a proposed settlement. The respondents consent to and waive any arguments they may have relating to the Hearing Panel's jurisdiction, alleged bias, alleged unfairness or any other challenge as a result of the Hearing Panel considering or commenting on the proposed settlement.

38. If, for any reason whatsoever, this settlement is not approved by the Commission, or the Order set forth in Schedule "A" is not made by the Commission:

(a) each of Staff and the respondents will be entitled to proceed to a hearing of the allegations in the Notice of Hearing and related Statement of Allegations unaffected

by the Settlement Agreement or the settlement negotiations, and the respondents agree that such hearing may be held before any or all of the Commissioners of the Hearing Panel who presided at the hearing to consider this proposed settlement;

(b) the terms of the Settlement Agreement will not be raised in any other proceeding or disclosed to any person except with the written consent of Staff and the respondents or as may be otherwise required by law; and

(i) the respondents further agree that each will not raise in any proceeding the Settlement Agreement or the negotiation or process of approval thereof as a basis for any attack on the Commission's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other challenge that may otherwise be available.

39. If, prior to the approval of this Settlement Agreement by the Commission, there are new facts or issues of substantial concern, in the view of Staff, regarding the facts set out in Part III of this Settlement Agreement, Staff will be at liberty to withdraw from this Settlement Agreement. Notice of such intention will be provided to the respondents in writing. In the event of such notice being given, the provisions of paragraph 38 in this part will apply as if this Settlement Agreement had not been approved in accordance with the procedures set out herein.

**VIII DISCLOSURE OF AGREEMENT**

40. Staff or the Respondents may refer to any part or all of this Settlement Agreement in the course of the hearing convened to consider this agreement. Otherwise, this Settlement Agreement and its terms will be treated as confidential by all parties to the Settlement Agreement until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission.

41. Any obligation as to confidentiality shall terminate upon the approval of this Settlement Agreement by the Commission.

**IX EXECUTION OF SETTLEMENT AGREEMENT**

42. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original signature.

April 9, 2002.

This page intentionally left blank

## Chapter 3

# Reasons: Decisions, Orders and Rulings

---

---

THERE IS NO MATERIAL FOR THIS CHAPTER IN THIS ISSUE

This page intentionally left blank

## 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
Canada 3000 Inc.	02 Apr 02	12 Apr 02	12 Apr 02	
Franchisemaster Technologies Inc.	08 Apr 02	19 Apr 02		
Stox.com Inc.	08 Apr 02	19 Apr 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
Krystal Bond Inc.	19 Feb 02	04 Mar 02	04 Mar 02		12 Apr 02
World Wise Technologies Inc.	19 Feb 02	04 Mar 02	04 Mar 02		

### 4.3.1 Lapsed Cease Trading Orders

Company Name	Date of Lapse/Expire
Manitex Capital Inc.	11 Apr 02
Hegco Canada Inc.	17 Apr 02

This page intentionally left blank

**Chapter 5**  
**Rules and Policies**

---

---

THERE IS NO MATERIAL FOR THIS CHAPTER IN THIS ISSUE

This page intentionally left blank



## Chapter 6

# Request for Comments

---

---

THERE IS NO MATERIAL FOR THIS CHAPTER IN THIS ISSUE

This page intentionally left blank

## 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 SecuritiesSource (see [www.carswell.com](http://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](http://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 27 of the *Securities Act* and OSC Rule 45-501 ("Exempt Distributions").

#### REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

<u>Transaction Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount num</u>
25-Mar-2002	6 Purchasers	3957284 Canada Inc. - Common Shares	395,000.00	5,000,000.00
27-Mar-2002	EdgeStone Capital Venture Fund Nominee Inc.	3C Infotech Inc. - Preferred Shares	1,500,000.00	1,724,138.00
25-Mar-2002	Ontario Teachers' Pension Plan Board	407 International Inc. - Bonds	487,500.00	487,500.00
28-Mar-2002	Steve Plunkett & Janis Field	Acuity Pooled High Income Fund - Units	500,000.00	33,899.00
04-Apr-2002 -	Donald Bownan	Acuity Pooled High Income Fund Units	84,452.00	7,035.00
18-Mar-2002	3 Purchasers	AFM Hospitality Corporation - Common Shares	72,499.00	72,499.00
31-Mar-2002	M. Wilkins	AGII Growth Fund - Units	156,864.00	19,389.00
11-Mar-2002	Mark Lanigan	Anteon Corporation - Common Shares	720,000.00	4,000.00
11-Mar-2002	6 Purchasers	Anteon International Corporation - Common Shares	321,935.00	11,200.00
22-Mar-2002	3 Purchasers	Arrow Ascendant Fund - Trust Units	350,000.00	32,554.00
28-Mar-2002 22-Mar-2002	Cameron Capital Corporation	Arrow Eagle & Dominion Fund - Units	400,000.00	46,565.00
04-Jan-2002 28-Mar-2002	5 Purchasers	Arrow Epic Capital Fund - Units	1,000,000.00	23,488.00
01-Feb-2002	3 Purchasers	Arrow Global Multi-Strategy Fund - Units	225,000.00	22,455.00
28-Mar-2002 28-Mar-2002	Gary Brown Investments; Alex and Suzanne Quinlan	Arrow Global Multimanager Fund - Units	525,000.00	52,186.00
22-Mar-2002 28-Mar-2002	8 Purchasers	Arrow Goodwood Fund - Units	257,787.00	24,332.00

**Notice of Exempt Financings**

04-Feb-2002	5 Purchasers	Arrow Milford Capital Fund - Units	1,547,226.00	28,926.00
28-Mar-2002				
22-Mar-2002	3 Purchasers	Arrow WF Asia Fund - Units	605,000.00	50,280.00
28-Mar-2002				
11-May-2001	Ontario Teachers' Pension Plan Board	Baillie Gifford Emerging Markets Fund - Units	419,440,569.00	44,654,873.00
30-Nov-2001				
13-Mar-2002	Sprott Canadian Equity Fund	Cambior Inc. - Common Shares	43.00	30.00
13-Mar-2002	Sprott Canadian Equity Fund	Cambior Inc. - Debentures	280.00	200.00
30-Mar-2002	Dan Bunner	Canadian Golden Dragon Resources Ltd. - Common Shares	4,500.00	4,500.00
02-Apr-2002	3 Purchasers	Canadian Golden Dragon Resources Ltd. - Units	32,022.00	320,222.00
28-Mar-2002	ARC Canadian Energy Venture Fund 2	Canadian Renewable Energy Corporation - Common Shares	2,000,000.00	4,000,000.00
21-Mar-2002	Canadian Pension Plan Investment Board	Candover 2001 Fund UK No. 1 Limited Partnership - Limited Partnership Units	138,888,888.00	1.00
01-Mar-2002	14 Purchasers	CGO&V Cumberland Fund - Units	434,154.00	29,823.00
31-Mar-2002				
01-Mar-2002	10 Purchasers	CGO&V Hazelton Fund - Units	1,356,190.00	102,413.00
31-Mar-2002				
01-Mar-2002	17 Purchasers	CGO&V International Fund - Units	453,662.00	103,126.00
31-Mar-2002				
21-Feb-2002	16 Purchasers	Chesbar Resources Inc. - Units	170,600.00	1,706,000.00
27-Mar-2002	9 Purchasers	Companhia Vale do Rio Doce - Common Shares	51,917,680.00	1,330,000.00
13-Mar-2002	Sprott Canadian Equity Fund	Coolbrands International Inc. - Special Warrants	91.00	19.00
25-Mar-2002	Fulbert Yao	Discovery Biotech Inc. - Shares	3,000.00	1,000.00
25-Mar-2002	John K. Warren	Discovery Biotech Inc. - Shares	750.00	250.00
25-Mar-2002	John A. Sparling	Discovery Biotech Inc. - Shares	1,500.00	500.00
25-Mar-2002	William G. Sears	Discovery Biotech Inc. - Shares	1,500.00	500.00
25-Mar-2002	Jim Seagull	Discovery Biotech Inc. - Shares	1,500.00	500.00
25-Mar-2002	John Russell	Discovery Biotech Inc. - Shares	3,000.00	1,000.00
25-Mar-2002	Clifford Pletsch	Discovery Biotech Inc. - Shares	3,000.00	1,000.00
25-Mar-2002	Tom Omazic	Discovery Biotech Inc. - Shares	12,000.00	4,000.00
25-Mar-2002	Greg Machin	Discovery Biotech Inc. - Shares	3,000.00	1,000.00
25-Mar-2002	R. Gordon Lyle	Discovery Biotech Inc. - Shares	3,000.00	1,000.00
25-Mar-2002	Roy Loker	Discovery Biotech Inc. - Shares	9,000.00	3,000.00

**Notice of Exempt Financings**

25-Mar-2002	James Loker	Discovery Biotech Inc. - Shares	1,500.00	500.00
25-Mar-2002	Gerard Lambert	Discovery Biotech Inc. - Shares	9,000.00	3,000.00
25-Mar-2002	Ed Kemmis	Discovery Biotech Inc. - Shares	1,500.00	500.00
25-Mar-2002	Douglas Jones	Discovery Biotech Inc. - Shares	1,500.00	500.00
25-Mar-2002	William Halliday	Discovery Biotech Inc. - Shares	1,500.00	500.00
25-Mar-2002	Bassem Hajjar	Discovery Biotech Inc. - Shares	1,500.00	500.00
25-Mar-2002	Youssef Geadah	Discovery Biotech Inc. - Shares	1,500.00	500.00
25-Mar-2002	Brian Delima	Discovery Biotech Inc. - Shares	1,500.00	500.00
25-Mar-2002	Shawn Chisholm	Discovery Biotech Inc. - Shares	3,000.00	1,000.00
25-Mar-2002	Marquis Charette	Discovery Biotech Inc. - Shares	3,000.00	1,000.00
25-Mar-2002	Gordon Burgess	Discovery Biotech Inc. - Shares	3,000.00	1,000.00
25-Mar-2002	Arthur G. Benett	Discovery Biotech Inc. - Shares	1,500.00	500.00
25-Mar-2002	Gary Beck	Discovery Biotech Inc. - Shares	3,000.00	1,000.00
25-Mar-2002	Bill Bates	Discovery Biotech Inc. - Shares	1,500.00	500.00
25-Mar-2002	Gloria & Robert Abare	Discovery Biotech Inc. - Shares	3,000.00	1,000.00
09-Mar-2002	ML IBK Positions; Inc.	Duke Energy Exchangeco Canada Inc. - Preferred Shares	150,000.00	6,000.00
02-Apr-2002	John Chisholm and Shedon Inwentash	East West Resource Corporation - Units	50,000.00	500,000.00
13-Mar-2002	Sprott Canadian Equity Fund	Eldorado Gold Corporation - Special Warrants	82.00	131.00
28-Mar-2002	Salida	Eldorado Gold Corporation - Warrants	140,000.00	500,000.00
01-Apr-2002	Bay Street Funding Trust and ING Bank of Canada	Fortress Asset Trust - Notes	60,000,000.00	60,000,000.00
31-Mar-2002	5 Purchasers	Harbour Capital Canadian Balanced Fund - Units	2,931,326.00	22,296.00
31-Mar-2002	Jennifer Cerny	Harbour Capital Foreign Balanced Fund - Units	150,000.00	1,034.00
13-Mar-2002	Sprott Canadian Equity Fund	High River Gold Mines Ltd. - Debentures	390.00	200.00
22-Mar-2002	21 Purchasers	Impact Energy Inc. - Special Warrants	7,488,000.00	4,680,000.00
25-Mar-2002	Keystone Mines Partnership	International Freegold Mineral Development Inc. - Common Shares	70,000.00	1,000,000.00
27-Mar-2002	876097 Alberta Ltd. and Ron	International Freegold Mineral	10,000.00	50,000.00

**Notice of Exempt Financings**

	Daigneault	Development Inc. - Common Shares		
27-Mar-2002	9 Purchasers	International Pursuit Corporation - Debentures	6,960,000.00	6,960,000.00
25-Mar-2002	15 Purchasers	Iogen Corporation - Warrants	962,393.00	230,974.00
27-Mar-2002	The Bank of Nova Scotia	Joseph Littlejohn & Levy Fund IV - Capital Commitment	2,922,668.00	2,922,668.00
19-Mar-2002	4 Purchasers	Jump TV.Com, Inc. - Common Shares	35,000.00	14,000.00
12-Mar-2001	4 Purchasers	J. C. Clark Preservation Trust I - Units	1,000,000.00	11,191.00
17-Mar-2001 27-Mar-2001	17 Purchasers	J. C. Clark Preservation Trust II - Units	9,351,547.00	76,221.00
15-Mar-2002	1266805 Ontario Ltd.	KBSH Private - International Fund - Units	246,000.00	22,282.00
21-Mar-2002	Scott Biluk	KBSH Private - Special Equity - Units	300,000.00	18,566.00
15-Mar-2002	1266805 Ontario Ltd.	KBSH Private - U.S. Equity Fund - Units	246,000.00	14,694.00
15-Mar-2002	43 Purchasers	Kingwest Avenue Portfolio - Units	1,121,360.00	54,417.00
27-Mar-2002	4 Purchasers	Lightning Energy Ltd. - Common Shares	1,325,000.00	662,500.00
02-Apr-2002 28-Mar-2002	8 Purchasers	Linear Resources Inc. - Shares	250,000.00	500,000.00
02-Apr-2002	Mary Lou Benotto	March Networks Corporation - Common Shares	50,001.00	28,572.00
28-Feb-2002	13 Purchasers	MAPLE KEY Market Neutral LP - Limited Partnership Units	4,702,300.00	4,702,300.00
01-Apr-2002	Anne/Ronald Golden	MCAN Performance Strategies - Limited Partnership Units	160,000.00	160,000.00
28-Mar-2002	3 Purchasers	Morguard Real Estate Investment Trust - Bonds	33,000,000.00	33,000,000.00
27-Mar-2002	8 Purchasers	Natural Data Inc. - Common Shares	363,300.00	519,000.00
15-Feb-2002	4 Purchasers	Navitrak International Corporation - Special Warrants	305,000.00	1,016,666.00
25-Mar-2002 21-Mar-2002	Goldlist Investments Inc.	Ozz Corporation - Common Shares	680,000.00	850,000.00
26-Mar-2002	9 Purchasers	O&Y Real Estate Investment Trust - Units	25,009,250.00	2,305,000.00
02-Apr-2002	John Royall	Pacific North West Capital Corp. - Common Shares	100,000.00	166,666.00

**Notice of Exempt Financings**

08-Apr-2002	International Freegold Mineral Development	Pacific North West Capital Corp. - Shares	17,600.00	20,000.00
27-Feb-2002	5 Purchasers	PETCO Animal Supplies, Inc. - Common Shares	965,623.00	31,600.00
28-Mar-2002	Ontario Teachers' Pension Plan Board	QAMG Enhanced US Treasury Bill Offshore Fund Ltd. - Preferred Shares	7,975,000.00	5,000.00
31-Mar-2002	Robert P. Salna	Regis Resources Inc. - Flow-Through Shares	150,000.00	300,000.00
08-Jan-2002	4 Purchasers	SAFLINK Corporation - Warrants	126,700.00	79,287.00
09-Nov-2001	N/A	SEAMARK Pooled Canadian Balanced Fund - Units	150,134.00	150,134.00
14-Mar-2002	OPG Ventures Inc.	Soft Switching Technologies Corporation - Shares	1,234,335.00	159,339.00
28-Mar-2002	14 Purchasers	South American Gold and Copper Company Limited - Units	1,206,000.00	20,100,000.00
27-Mar-2002	Investors Group Trust Co. Ltd.	Spinnaker Exploration Company - Common Shares	1,452,500.00	35,000.00
05-Apr-2002	4 Purchasers	Sterling Centrecorp Inc. - Units	1,590,100.00	1,000.00
05-Mar-2002	15 Purchasers	Tembec Industries Inc. - Notes	23,060,160.00	23,060,160.00
02-Apr-2002	Interward Capital Corporation	Terraquest Energy Corporation - Common Shares	449,500.00	1,175,000.00
01-Apr-2002	3 Purchasers	Thales Active Asset Allocation Fund - Limited Partnership Units	389,910.00	389,910.00
03-Apr-2002	Joanne Heller	The Upper Circle Equity Fund - Units	86,000.00	8,600.00
28-Feb-2002	Sharon Cole	Twenty-First Century Canadian Bond Fund - Units	3,864.00	774.00
28-Feb-2002	5 Purchasers	Twenty-First Century Canadian Equity Fund - Units	35,291.00	5,426.00
13-Feb-2002	Sprott Canadian Equity Fund	Twin Mining Corporation - Common Shares	31.00	67.00
22-Mar-2002	4 Purchasers	ViXS Systems Inc. - Common Shares	103,133.00	171,889.00
08-May-2002 28-Mar-2002	3 Purchasers	Workonce Wireless Corporation - Special Warrants	106,250.00	141,667.00
28-Mar-2002	3 Purchasers	ZTEST Electronics Inc. - Common Shares	91,105.00	379,607.00



**RESALE OF SECURITIES - (FORM 45-501F2)**

<u>Transaction Date</u>	<u>Seller</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount num</u>
25-Mar-2002	792523 Ontario Limited	Canmine Resources Corporation - Common Shares	90,000.00	43,710.00
4/12/02 12-Mar-2002	Investors Group Trust Co. Ltd. as Corporate Bond Fund	Trillium Credit Card Trust as Trustee for Investors - Notes	101.00	101.00

**NOTICE OF INTENTION TO DISTRIBUTE SECURITIES AND ACCOMPANYING DECLARATION UNDER SECTION 2.8 OF MULTILATERAL INSTRUMENT 45-102 RESALE OF SECURITIES - FORM 45-102F3**

<u>Seller</u>	<u>Security</u>	<u>Amount num</u>
Samir A. Manji	Amica Mature Lifestyles Inc. - Shares	200,000.00
The Catherine and Maxwell Meighen Foundation	Canadian General Investments, Limited - Common Shares	564,700.00
Aaron Serruya	Coolbrands International Inc. - Shares	450,000.00
Aaron Serruya	Coolbrands International Inc. - Shares	450,000.00
David M. Smith	Coolbrands International Inc. - Shares	450,000.00
Richard E. Smith	Coolbrands International Inc. - Shares	470,000.00
David J. Stein	Coolbrands International Inc. - Shares	450,000.00
Thomas M. Gaasenbeek	e-Manufacturing Networks Inc. - Common Shares	1,478,666.00
James A. Estill	EMJ Data Systems Ltd. - Common Shares	59,200.00
Kingfield Investments Limited	Extendicare Inc. - Common Shares	42,900.00
Kingfield Holdings Limited	Extendicare Inc. - Shares	63,900.00
Taronga Holdings Limited	Extendicare Inc. - Shares	42,900.00
Sprott Asset Management Inc.	High River Gold Mines Ltd. - Common Shares	1,999,000.00
John McGoran	LEH Ventures Ltd. - Common Shares	1,000,000.00
Southwestern Gold (Bermuda) Limited	Maxy Oil & Gas Inc. - Common Shares	7,000,000.00
Targa Group Inc.	Plaintree Systems Inc. - Common Shares	6,661,665.00
Michael R. Faye	Spectra Inc. - Common Shares	350,000.00
The Catherine and Maxwell Meighen Foundation	Third Canadian General Investment Trust Limited - Common Shares	136,400.00

**Chapter 9**  
**Legislation**

---

---

THERE IS NO MATERIAL FOR THIS CHAPTER IN THIS ISSUE

This page intentionally left blank

## Chapter 11

# IPOs, New Issues and Secondary Financings

---

---

---

**Issuer Name:**

Alimentation Couche-Tard Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Prospectus dated April 11th, 2002  
Mutual Reliance Review System Receipt dated April 11th, 2002

**Offering Price and Description:**

\$27,540,000 - 810,000 Class B Subordinate Voting Shares

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.  
Scotia Capital Inc.

**Promoter(s):**

-

**Project #435863**

---

**Issuer Name:**

Commercial and Industrial Securities Income Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated April 12th, 2002  
Mutual Reliance Review System Receipt dated April 15th, 2002

**Offering Price and Description:**

Minimum \$ \* - \* Maximum - \* Units@\$20.00 per Unit  
Minimum Purchase: 100 Units

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.  
CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
HSBC Securities (Canada) Inc.  
Canaccord Capital Corporation  
Dundee Securities Corporation  
Yorkton Securities Inc.  
Desjardins Securities Inc.  
Raymond James Ltd.  
Research Capital Corporation  
Trilon Securities Corporation

**Promoter(s):**

Sentry Select Capital Corp.

**Project #436338**

---

**Issuer Name:**

CPG Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated April 15th, 2002  
Mutual Reliance Review System Receipt dated April 17th, 2002

**Offering Price and Description:**

\$ \* - \* Units @\$10.00 per Unit

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
National Bank Financial Inc.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
Dundee Securities Corporation

**Promoter(s):**

CCL Industries Inc.

**Project #437016**

---

**Issuer Name:**

DALSA Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 11th, 2002  
Mutual Reliance Review System Receipt dated April 11th, 2002

**Offering Price and Description:**

\$23,000,000 - 2,300,000 Common Shares issuable upon the exercise of 2,300,000 Special Warrants

**Underwriter(s) or Distributor(s):**

Yorkton Securities Inc.  
CIBC World Markets Inc.  
Acumen Capital Finance Partners Limited

**Promoter(s):**

-

**Project #435857**

---

**Issuer Name:**

Energy Savings Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 12th, 2002  
Mutual Reliance Review System Receipt dated April 12th, 2002

**Offering Price and Description:**

\$ \* - \* Subscription Receipts, each representing the right to receive one Trust Unit @ \$ \* per Subscription Receipt

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
National Bank Financial Inc.  
BMO Nesbitt Burns Inc.  
Canaccord Capital Corporation  
Dundee Securities Corporation

**Promoter(s):**

Ontario Energy Savings Corp.

**Project #436062**

---

**Issuer Name:**

FP Newspapers Income Fund  
Principal Regulator - Manitoba

**Type and Date:**

Amended and Restated Preliminary Prospectus dated April 11th, 2002  
Mutual Reliance Review System Receipt dated April 12th, 2002

**Offering Price and Description:**

\$ \* - \* Units @ \$10.00 per Unit

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
BMO Nesbitt Burns Inc.  
RBC Dominion Securities Inc.  
CIBC World Markets Inc.  
National Bank Financial Inc.  
Wellington West Capital Inc.

**Promoter(s):**

Canstar Publications Ltd.  
R.I.S. Media Ltd.

**Project #431299**

---

**Issuer Name:**

Goldcorp Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 15th, 2002  
Mutual Reliance Review System Receipt dated April 15th, 2002

**Offering Price and Description:**

\$US\$90,000,000 - 5,000,000 Common Shares and 2,500,000 Shares Purchase Warrants @ US\$418.00 per Unit

**Underwriter(s) or Distributor(s):**

Griffiths McBurney & Partners  
BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
Merrill Lynch Canada Inc.  
National Bank Financial Inc.  
RBC Dominion Securities Inc.  
Sprott Securities Inc.

**Promoter(s):**

-

**Project #436517**

---

**Issuer Name:**

Ketch Energy Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated April 11th, 2002  
Mutual Reliance Review System Receipt dated April 11th, 2002

**Offering Price and Description:**

\$16,000,000 -- 3,333,333 Common Shares @ \$4.80 per Common Share

**Underwriter(s) or Distributor(s):**

Griffiths McBurney & Partners  
TD Securities Inc.  
BMO Nesbitt Burns Inc.  
FirstEnergy Capital Corp.  
National Bank Financial Inc.  
Yorkton Securities Inc.  
Sprott Securities Inc.  
Salman Partners Inc.

**Promoter(s):**

-

**Project #435920**

---

**Issuer Name:**

MRF 2002 Limited Partnership  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated April 12th, 2002  
Mutual Reliance Review System Receipt dated April 15th, 2002

**Offering Price and Description:**

\$10,000,000 to \$75,000,000 - 300,000 to 400,000 Units

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
Dundee Securities Corporation  
HSBC Securities (Canada) Inc.  
Middlefield Securities Limited  
Yorkton Securities Inc.  
Canaccord Capital Corporation  
Raymond James Ltd.  
Wellington West Capital Inc.

**Promoter(s):**

MRF 2002 Management Limited  
Middlefield Group Limited

**Project #436112**

---

**Issuer Name:**

Northern Property Real Estate Investment Trust  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Prospectus dated April 12th, 2002  
Mutual Reliance Review System Receipt dated April 15th, 2002

**Offering Price and Description:**

\$ \* - \* Units @ \$ \* Unit

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.  
National Bank Financial Inc.

**Promoter(s):**

URBCO Inc.

**Project #436474**

---

**Issuer Name:**

Paladin Labs Inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Prospectus dated April 15th, 2002  
Mutual Reliance Review System Receipt dated April 16th, 2002

**Offering Price and Description:**

\$20,952,250 - 2,205,500 Common Shares Issuable upon the exercise of 2,205,500 previously issued Special Warrants @ \$9.50 per Special Warrant

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
Yorkton Securities Inc.  
Desjardins Securities Inc.  
National Bank Financial Inc.  
BMO Nesbitt Burns Inc.  
Sprott Securities Inc.

**Promoter(s):**

-

**Project #436812**

---

**Issuer Name:**

RIOCAN REAL ESTATE INVESTMENT TRUST  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 12th, 2002  
Mutual Reliance Review System Receipt dated April 15th, 2002

**Offering Price and Description:**

\$96,800,000 - 8,000,000 Units @ \$12.10 per Unit

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
Raymond James Ltd.

**Promoter(s):**

-

**Project #436430**

---

**Issuer Name:**

Technologies of sterilization with ozone TSO3 inc.  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Prospectus dated April 16th, 2002  
Mutual Reliance Review System Receipt dated April 17<sup>th</sup>, 2002

**Offering Price and Description:**

\$ \* - \* Common Shares @ \$ \* Common Shares

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.  
Canaccord Capital Corporation  
Desjardins Securities Inc.

**Promoter(s):**

-

**Project #437296**

---

**Issuer Name:**

The Keg Royalties Income Fund  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Prospectus dated April 12th, 2002  
Mutual Reliance Review System Receipt dated April 15th, 2002

**Offering Price and Description:**

\$ \* - \* Units @ \$10.00 per Unit

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
RBC Dominion Securities Inc.  
Canaccord Capital Inc.

**Promoter(s):**

Keg Restaurants Ltd.

**Project #436730**

---

**Issuer Name:**

Trojan Technologies Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 12th, 2002  
Mutual Reliance Review System Receipt dated April 12th, 2002

**Offering Price and Description:**

\$15,000,000 - 1,500,000 Common Shares @\$10.00 per  
Common Share

**Underwriter(s) or Distributor(s):**

Canaccord Capital Corporation  
Paradigm Capital Inc.  
Research Capital Corporation

**Promoter(s):**

-

**Project #436130**

---

**Issuer Name:**

IG Beutel Goodman Canadian Small Cap Fund  
Principal Regulator - Manitoba

**Type and Date:**

Amendment #1 dated April 1st, 2002 to Simplified  
Prospectus and Annual Information Form  
dated October 9<sup>th</sup>, 2001  
Mutual Reliance Review System Receipt dated 5<sup>th</sup> day of  
April, 2002

**Offering Price and Description:**

Mutual Fund Securities Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #378758**

---

**Issuer Name:**

Artisan Canadian Equity Fund  
Artisan American Equity Fund  
Artisan RSP American Equity Fund  
Artisan International Equity Fund  
Artisan RSP International Equity Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated January 28<sup>th</sup>, 2000  
Closed March 28<sup>th</sup>, 2002

**Offering Price and Description:**

Mutual Fund Securities Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #235050**

---

**Issuer Name:**

BFI Canada Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated April 16th, 2002  
Mutual Reliance Review System Receipt dated 16<sup>th</sup> day of  
April, 2002

**Offering Price and Description:**

-

**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:**

NCE Strategic Energy Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated April 11th, 2002  
Mutual Reliance Review System Receipt dated 11<sup>th</sup> day of  
April, 2002

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.  
CIBC World Markets Inc.  
BMO Nesbitts Burns Inc.  
TD Securities Inc.  
HSBC Securities (Canada) iNc.  
Dundee Securities Corporation  
Yorkton Securities Inc.  
Canaccord Capital Corporation  
Desjardins Securities Inc.  
Raymond James Ltd.  
FirstEnergy Capital Corp.  
Research Capital Corporation  
Trilon Securities Corporation

**Promoter(s):**

-

**Project #422054**

---

**Issuer Name:**

Brascan Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated April 10th, 2002  
Mutual Reliance Review System Receipt dated 11<sup>th</sup> day of  
April, 2002

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
CIBC World Markets Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
BMO Nesbitt Burns Inc.  
Trilon Securities Corporation  
National Bank Financial Inc.

**Promoter(s):**

-

**Project #433360**

---

**Issuer Name:**

Citadel Diversified Investment Trust  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated April 16th, 2002  
Mutual Reliance Review System Receipt dated 16<sup>th</sup> day of  
April, 2002

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
TD Securities Inc.

**Promoter(s):**

-

**Project #428223**

---

**Issuer Name:**

CoolBrands International Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated April 11th, 2002  
Mutual Reliance Review System Receipt dated 11<sup>th</sup> day of  
April, 2002

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Sprott Securities Inc.  
Canaccord Capital Corporation  
Standard Securities Capital Corporation  
Thomson Kernaghan & Co. Limited

**Promoter(s):**

-

**Project #433274**

---

**Issuer Name:**

DaimlerChrysler Canada Finance Inc.  
Principal Regulator - Quebec

**Type and Date:**

Final Short Form Shelf Prospectus dated April 11th, 2002  
Mutual Reliance Review System Receipt dated 12<sup>th</sup> day of  
April, 2002

**Offering Price and Description:**

-

**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:**

Hemosol Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated April 10th, 2002  
Mutual Reliance Review System Receipt dated 11<sup>th</sup> day of April, 2002

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Sprott Securities Inc.  
Yorkton Securities Inc.

**Promoter(s):**

-

**Project #432680**

---

**Issuer Name:**

Koch Pipelines Canada, L.P.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated April 16th, 2002  
Mutual Reliance Review System Receipt dated 16<sup>th</sup> day of April, 2002

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Scotia Capital Inc.  
RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
TD Securities Inc.  
National Bank Financial Inc.  
Canaccord Capital Corporation  
Peters & Co. Limited

**Promoter(s):**

-

**Project #435232**

---

**Issuer Name:**

MacDonald, Dettwiler and Associates Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated April 10th, 2002  
Mutual Reliance Review System Receipt dated 10<sup>th</sup> day of April, 2002

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
TD Securities Inc.  
Scotia Capital Inc.  
CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
Raymond James Ltd.

**Promoter(s):**

-

**Project #432348**

---

**Issuer Name:**

BioCapital Biotechnology and Healthcare Fund  
Principal Regulator - Quebec

**Type and Date:**

Final Simplified Prospectus and Annual Information Form dated April 10th, 2002  
Mutual Reliance Review System Receipt dated 10<sup>th</sup> day of April, 2002

**Offering Price and Description:**

Mutual Fund Securities Net Asset Value

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

BioCapital Mutual Fund Management Inc.

**Project #428319**

---

**Issuer Name:**

NORTHWEST RSP INTERNATIONAL FUND  
NORTHWEST MONEY MARKET FUND  
(SERIES A UNITS)

NORTHWEST INTERNATIONAL FUND  
NORTHWEST GROWTH FUND  
NORTHWEST BALANCED FUND  
(SERIES A AND SERIES F UNITS)

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus and Annual Information Form dated April 12th, 2002  
Mutual Reliance Review System Receipt dated 16<sup>th</sup> day of April, 2002

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Northwest Mutual Funds Inc.

**Promoter(s):**

Northwest Mutual Funds Inc.

**Project #426816**

---

**Issuer Name:**

NORTHWEST SPECIALTY INNOVATIONS FUND  
NORTHWEST SPECIALTY HIGH YIELD BOND FUND  
NORTHWEST SPECIALTY EQUITY FUND

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus and Annual Information Form dated April 12th, 2002  
Mutual Reliance Review System Receipt dated 16<sup>th</sup> day of April, 2002

**Offering Price and Description:**

Mutual Fund Securities Net Asset Value

**Underwriter(s) or Distributor(s):**

Northwest Mutual Funds Inc.

**Promoter(s):**

-

**Project #426867**

---

**Issuer Name:**

Spectrum TACTONICS Fund  
Spectrum RRSP TACTONICS Fund

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus and Annual Information Form dated April 8th, 2002  
Mutual Reliance Review System Receipt dated 12<sup>th</sup> day of April, 2002

**Offering Price and Description:**

(Retail Class Units, Class F Units and Institutional Class Units)

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #425770**

---

**Issuer Name:**

Counsel Balanced RSP Portfolio  
Principal Jurisdiction - Ontario

**Type and Date:**

Amendment #1 dated March 20, 2002 to the Simplified Prospectus and Annual Information Form dated January 15th, 2002  
Withdrawn on April 11th, 2002

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #398161**

---

**Issuer Name:**

Agnico-Eagle Mines Limited

**Type and Date:**

Form F-10 Registration Statement dated March 28<sup>th</sup>, 2002  
Accepted 5<sup>th</sup> day of April, 2002

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #432675**

---

**Issuer Name:**

Agnico-Eagle Mines Limited

**Type and Date:**

Amendment #1 dated April 11<sup>th</sup>, 2002 to Form F-10  
Registration Statement dated March 28<sup>th</sup>, 2002  
Accepted 11<sup>th</sup> day of April, 2002

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #432675**

---

**Issuer Name:**

Indigo Books & Music Inc.

**Type and Date:**

Rights Offering dated December 7<sup>th</sup>, 2001  
Accepted 10<sup>th</sup> day of December, 2001

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #403371**

This page intentionally left blank

## Chapter 12

# Registrations

---

---

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Roycap Securities Inc. Attention: Stephen Michael Rider 4100 Yonge Street Suite 504 Toronto ON M2P 2G2	Investment Counsel & Portfolio Manager	Apr 12/02
New Registration	Scivest Alternative Strategies Inc. Attention: John Jeffrey Schmitz 71 Simcoe Street Suite 1403 Toronto ON M5J 2S9	Limited Market Dealer	Apr 11/02
New Registration	Tokyo-Mitsubishi Securities (USA) Inc. Attention: Keizo Iijima, President 1251 Avenue of the Americas New York NY 10020-1104 USA	International Dealer	Apr 11/02
New Registration	Spear, Leeds & Kellogg, L.P. Attention: Casey Early 120 Broadway New York NY 10271 USA	International Dealer	Apr 17/02

This page intentionally left blank

## Chapter 13

# SRO Notices and Disciplinary Proceedings

---

---

### 13.1.1 Proposed Amendment to IDA By-Law 16 - Elimination of the Top 20 Regulatory Reporting

#### INVESTMENT DEALERS ASSOCIATION OF CANADA

#### PROPOSED AMENDMENT TO BY-LAW 16 ELIMINATION OF THE TOP 20 REGULATORY REPORTING

#### I OVERVIEW

##### A -- Current Rules

The Top 20 report is a report of the top 10 customer margin or cash accounts and the top 10 inventory positions.

The purpose of the Top 20 report is to determine if Member firms have any security concentration issues. The Top 20 Report has been primarily used by the IDA compliance staff as supplementary information to assess the reasonableness of any securities concentration margin charge provided by Member firms on Statement B, line 25 on the monthly financial filings.

##### B -- The Issue

In an effort to identify and eliminate excessive regulatory filing requirements, the Top 20 Report has been identified as no longer providing regulatory value. Securities concentration information is currently provided on the Monthly Financial Report, as a line item, and supporting information is provided on Schedule 9 and on year-end audited filings of Form #1. In addition, the IDA field examinations include reviews of the reporting infrastructure at Member firms to ensure accuracy and completeness of the reporting processes, including the securities concentration test as part of the regular monitoring of the firm's overall capital position.

##### C -- Objective

The objective of the rule change is to reduce excessive regulatory filing requirements for Members by eliminating the requirement to prepare the Top 20 Report.

##### D -- Effect of Proposed Rules

The Association has determined that the entry into force of the proposed amendment to By-law 16 would have no impact on market structure, Members, competition, costs of compliance or other rules.

#### II DETAILED ANALYSIS

##### A -- Present Rules, Relevant History and Proposed Policy

By-law 16 is being amended to eliminate the regulatory filing requirement of the Top 20 Report.

Firms are still required to monitor for securities concentrations and provide any capital charges as set out in notes and instructions to Schedule 9 of Form 1. Firms must ensure that in the absence of filing the Top 20 Report, any related EDP reports necessary to monitor securities concentrations must continue to be generated and maintained on file for purposes of examination.

##### B -- Issues and Alternatives Considered

The Association considered limiting the filing requirements to the top 10 securities (5 client balances and 5 inventory positions). After further discussion amongst the SRO's, it was recommended that the Top 20 report be eliminated in its entirety.

##### C -- Comparison with Similar Provisions

There were no comparisons conducted with similar regulations of regulators and SRO's both foreign and in Canada.

##### D -- Systems Impact of Rule

The Association has determined that the proposed rule amendment will have no systems impact on its Members.

##### E -- Best Interests of the Capital Markets

The Association has determined that the public interest Rule is not detrimental to the best interests of the capital markets.

##### F -- Public Interest Objective

The Association believes that the proposed amendments are in the public interest. The proposal is designed to facilitate fair and open competition in securities transactions generally. The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, Members or others. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purposes.

#### III COMMENTARY

##### A -- Filing in Other Jurisdictions

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

## B – Effectiveness

The proposed amendments are simple and effective.

## C -- Process

The Financial Administrators Section approved the proposed rule amendment.

## IV SOURCES

References:

IDA By-law 16

Monthly Financial Report

## V OSC REQUIREMENT TO PUBLISH FOR COMMENT

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

The Association has determined that the entry into force of the proposed Policy would be in the public interest. Comments are sought on the proposed Policy. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Keith Rose, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Keith Rose  
Vice President, Regulatory Policy  
Investment Dealers Association of Canada  
(416) 943-6907  
krose@ida.ca

## INVESTMENT DEALERS ASSOCIATION OF CANADA

### AMENDMENT TO BY-LAW NO. 16 DISTRICT ASSOCIATION AUDITORS, MEMBERS' AUDITORS, FINANCIAL REPORTING AND SENIOR VICE-PRESIDENT, MEMBER REGULATION

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

1. By-law 16.4(i) is amended by removing the reference to the filing of the Top 20 Report.

"16.4. Each Member which has been designated by the applicable District Council shall:

(i) file monthly with the Senior Vice-President, Member Regulation a copy of a financial report of the Member as at the end of each fiscal month or at such other date as may be agreed with the Senior Vice-President, Member Regulation. Such monthly financial reports shall contain or be accompanied by such information as may be prescribed by the Senior Vice-President, Member Regulation from time to time ~~but shall include a report in prescribed form filed within seven business days of the end of each month detailing:~~

(a) ~~the ten customer margin or customer cash accounts with the latest debit balances exceeding \$50,000 as of the last business day of the month; and~~

(b) ~~the ten inventory positions with the largest loan value excluding fully hedged positions (or positions which qualify for full margin offsets) exceeding \$50,000 as of the last business day of the month, excluding new issues; and"~~

**PASSED AND ENACTED BY THE** Board of Directors this 10th day of April 2002, to be effective on a date to be determined by Association staff.

### 13.1.2 Proposed Amendment to IDA By-Law 29.26 - Leverage Disclosure

#### INVESTMENT DEALERS ASSOCIATION OF CANADA

#### LEVERAGE DISCLOSURE

#### I OVERVIEW

##### A -- Current Rules

The original proposed By-law 29.26 was approved by the IDA Board on October 17, 2001 and published in the OSC Bulletin November 9, 2001.

Due to comments received from the securities commission, changes have been made to the By-law.

National Instrument 33-102 Regulation of Certain Registrant Activities came into force on August 1, 2001. Section 2 deals with leverage disclosure and states that a registrant is not subject to comply with the leverage disclosure rules of the instrument if the registrant complies with the leverage disclosure by-laws, rules, regulations or policies of a recognized SRO. As a result, the IDA proposed By-law 29.26.

##### B -- The Issue

The securities commission rejected the original proposal on the basis that a lesser standard than that of National Instrument 33-102 existed with respect to when to provide the disclosure statement as well as the requirement to obtain an acknowledgement.

##### C -- Objective

The objective of the amendments is to have the proposed By-law more comparable to National Instrument 33-102.

##### D -- Effect of Proposed Rules

The proposed By-law will help to increase client knowledge regarding the risks that are inherent in investing when using borrowed money.

The costs borne by Member firms in having to provide such disclosure documents is minimal and as such is not a determinative factor.

#### II DETAILED ANALYSIS

##### A -- Present Rules, Relevant History and Proposed Policy

The original proposed By-law 29.26 stated that a one time disclosure of the risks of leverage was sufficient. The By-law has been amended to state that when a Member or a partner, director, officer or registered or approved person of a Member opens an account for a client or makes a recommendation to a client to purchase securities and knows that the client will be using in whole or in part borrowed money or becomes aware that the client intends

to use borrowed money for the purchase, a Leverage Risk Disclosure Statement must be given to the client if such a Leverage Risk Disclosure Statement has not been provided to the client in the preceding sixth month period.

The securities commissions have agreed that the proposed By-law does not require an acknowledgement to be signed back from the client to the registrant each time the Leverage Risk Disclosure Statement is provided to the client.

##### B -- Issues and Alternatives Considered

The alternatives considered were to have a one time disclosure requirement instead of requiring the disclosure to be provided each time a registrant makes a recommendation to a client to purchase securities using in whole or in part borrowed money, or otherwise becomes aware of a client's intent to purchase securities using in whole or in part borrowed money unless the disclosure has been provided to the client within the preceding six month period.

##### C -- Systems Impact of Rule

There will be no systems impact of the Rule.

##### D -- Best Interests of the Capital Market

The Public interest rule is not detrimental to the best interest of the capital markets.

##### E -- Public Interest Objective

The Association believes that the proposed By-law is in the public interest in that it will protect the investing public by providing more information to better enable the client to make an informed decision regarding how they invest. The proposal is designed to protect the clients and will promote public confidence in the industry.

The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, members or others. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purposes.

#### III COMMENTARY

##### A -- Filing in Other Jurisdictions

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

##### B -- Effectiveness

The proposed change is simple and will not be a burden to Member firms in implementing.



**C -- Process**

The proposed By-law has been approved by the Compliance and Legal Section Executive and the Compliance and Legal Section.

**IV SOURCES**

National Instrument 33-102

**V OSC REQUIREMENT TO PUBLISH FOR COMMENT**

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

The Association has determined that the entry into force of the proposed Policy would be in the public interest. Comments are sought on the proposed Policy. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Deborah L. Wise, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Deborah L. Wise  
Legal and Policy Counsel  
Regulatory Policy  
Investment Dealers Association of Canada  
(416) 943-6994  
dwise@ida.ca

**INVESTMENT DEALERS ASSOCIATION OF CANADA**

**BY-LAW 29.26 LEVERAGE DISCLOSURE**

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

1. By-law 29 is amended by adding the following:  
"29.26 (1)
  - (a) Each Member, partner, director, officer or registered or approved person of a Member shall provide to each client a Leverage Risk Disclosure Statement:
    - i) at the time a new account is opened,
    - ii) when a recommendation is made to a client to purchase securities using, in whole or in part, borrowed money, or
    - iii) when the Member, partner, director, officer or registered or approved person of the Member becomes aware of a client's intent to purchase securities using, in whole or in part, borrowed money.
  - (b) No Member or partner, director, officer or registered or approved person of a Member is required to comply with subsection (a)(ii) or (iii) if within the preceding sixth month period a Leverage Risk Disclosure Statement has been provided to the client.
  - (c) The Leverage Risk Disclosure Statement shall be in substantially the following words:

Using borrowed money to finance the purchase of securities involves greater risk than using cash resources only. If you borrow money to purchase securities, your responsibility to repay the loan and pay interest as required by its terms remains the same even if the value of the securities purchased declines.
2. Section 29.26(1) does not apply to the purchase of securities by a client on margin if the client's margin account is operated in accordance with the By-Laws, Rules, Regulations and Policies of the Association.

**PASSED AND ENACTED BY THE** Board of Directors this 10th day of April 2002, to be effective on a date to be determined by Association staff.

**13.1.3 Proposed Amendment to IDA By-Law 28 - Discretionary Trust Fund**

**INVESTMENT DEALERS ASSOCIATION OF CANADA**

**BY-LAW 28 - DISCRETIONARY TRUST FUND**

**I OVERVIEW**

**A -- Current Rules**

By-law 28 currently calls for (1) the funds held in the Discretionary Trust Fund ("DTF") to be held in an account that is separate from the general funds of the Association and (2) that cheques drawn on the DTF be signed by any two of the Chair, Vice-Chair and President. These requirements reflect the fundamental reason for the DTF, which remained unchanged over the years - that is, to cover the initial payment to the Canadian Investor Protection Fund ("CIPF") in the case of the bankruptcy of any IDA Member within its prime audit jurisdiction.

**B -- The Issue**

The proposed amendment would eliminate both of the above requirements, which are no longer necessary because the CIPF Board of Governors eliminated the Association's liability for the initial payment to the CIPF, as at January 1, 2002.

The DTF would continue to operate at the discretion of the Board of Directors as an internally restricted fund, the Discretionary Fund ("DF").

**C -- Objective**

The objective of the rule change is to reduce administrative complexities and costs by simplifying the Association's cash management process.

**D -- Effect of Proposed Rules**

- The DF funds would be commingled with the general funds of the Association.
- Signing requirements for the DF would be in accordance with the Association's general signing authority.

**II DETAILED ANALYSIS**

**A -- Relevant History**

The fund was set up in 1968 after the bankruptcy of Meggeson, Goss & Co. The IDA made good the losses of this company's clients and to do so, had to assess all its Members. By-Law 28 was enacted, pending the establishment of a national contingency fund, to establish the DTF in the event of the insolvency or other inability of any Member to meet its financial obligations to the public. The Board of Directors (then the National Executive Committee) was authorized to make payments out of the

DTF in such amounts and to such creditors of the Member as the Board in its discretion determined.

After the CIPF (then the National Contingency Fund) was established in 1969, By-law 28 was amended to authorize payments to replenish the CIPF and to meet its financial obligations to the public.

In 1999 By-law 28 was amended to authorize additional types of payments, including the payment of public members of IDA Hearing Panels.

Against the backdrop of the elimination of any requirement for the IDA to replenish the CIPF, the IDA Executive Committee approved the following on March 6, 2002:

- Authorization for payments to be made from the DTF for special non-recurring projects that (1) benefit the public and/or (2) generally benefit Canadian Capital Markets, as determined by the Board of Directors or Executive Committee.
- The elimination, in principle, of the requirement to keep DTF funds separate from the Association's general funds.

**B -- Public Interest Issues**

There is no negative impact on the public.

**III COMMENTARY**

**A -- Filing in Other Jurisdictions**

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

**B - Effectiveness**

An assessment of the effectiveness of the proposed rules in addressing the issues discussed above.

**C -- Process**

Sources of this issue and the groups and committees that reviewed or approved the proposal have been described above.

**IV SOURCES**

IDA By-law 28

**V OSC REQUIREMENT TO PUBLISH FOR COMMENT**

The Association has determined that the entry into force of the proposed amendments is housekeeping in nature. As a result, a determination has been made that these proposed rule amendments need not be published for comment.

**INVESTMENT DEALERS ASSOCIATION OF CANADA**

**AMENDMENT TO BY-LAW NO. 28 - DISCRETIONARY TRUST FUND**

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

By-law No. 28, Discretionary Trust Fund, is amended as follows:

1. Throughout the By-laws, Regulations, Forms, and Policies of the Association, the term "Discretionary Trust Fund" is repealed and replaced with the term "Discretionary Fund".
2. By-law No. 28.1 is amended by replacing the words "There shall be a separate trust fund (the "Discretionary Trust Fund")" with the words "There shall be a Discretionary Fund".
3. By-law No. 28.2 is amended by:
  - (a) replacing the words "held or deposited in one or more separate trust accounts" with the words "held or deposited in one or more accounts"; and
  - (b) deleting the sentence "Notwithstanding By-law 15.5, cheques drawn on such trust accounts shall be signed by any two of the Chair, the Vice-Chair and the President".
4. By-law No. 28.3 is amended by replacing the words "capital employed in the business" with the words "financial statement capital".
5. By-law No. 28.4 is amended by:
  - (a) adding new paragraph 28.4(e) prior to existing paragraph 28.4(e) as follows: "To make payments for special non-recurring projects that (1) benefit the public and/or (2) generally benefit Canadian Capital Markets, as determined by the Board of Directors or Executive Committee"; and
  - (b) renumbering existing paragraph 28.4(e) to 28.4(f)

**PASSED AND ENACTED BY THE** Board of Directors this 10th day of April 2002, to be effective on a date to be determined by Association staff.

### 13.1.4 Proposed Amendments to IDA Regulation 100.4c - Capital and Margin Requirements for an Offset

#### CAPITAL AND MARGIN REQUIREMENTS FOR AN OFFSET INVOLVING CANADIAN BANK ACCEPTANCES AND THE THREE-MONTH CANADIAN BANK ACCEPTANCE FUTURES CONTRACT - AMENDMENTS TO REGULATION 100.4C

##### I OVERVIEW

Regulation 100 sets out the capital and margin requirements for positions in and offsets involving debt and equity securities and related derivatives. For bank acceptances issued by Canadian chartered banks ("Canadian BAs"), Regulation 100.2(b) sets out the capital and margin requirements to be used for unhedged positions but there are currently no permitted offsets. The proposed amendment seeks to allow an offset between Canadian BAs and the three-month Canadian chartered bank acceptance futures contract ("BAX contract"), which trades on the Bourse de Montreal. The proposed rule (see Attachments #1 and #2) would allow an offset for a long (or short) Canadian BAs position and a short (or long) BAX contract position where the margin requirement in respect of both positions would be the greater of the margin required on the long and the short position.

##### II DETAILED ANALYSIS

###### A -- PRESENT RULES, RELEVANT HISTORY AND PROPOSED POLICY

Canadian BAs are short-term negotiable debt instruments issued by a non-financial corporation but guaranteed by a Canadian chartered bank. Canadian BAs are sold on a discount basis with a maturity date less than one year and a higher yield than for treasury bills.

As previously stated, there are currently no permitted offsets for Canadian BAs. Regulation 100.2(b) sets out the capital and margin requirements to be used for unhedged positions in Canadian BAs as follows:

*" Deposit certificates, promissory notes or debentures issued by a Canadian chartered bank (and of Canadian chartered bank acceptances) maturing:*

*within 1 year      2% of market value multiplied by the fraction determined by dividing the number of days to maturity by 365*

*over 1 year      apply rates for commercial and corporate bonds, debentures and notes"*

The BAX contract is a futures contract based on the annualized yield of three-month Canadian BAs. The BAX contract is cash settled and the final settlement price is based on the average of the three-month Canadian BA bid rates (a minimum of six quotations is required, excluding the lowest and highest values).

Article 15511 of the Rules of the Bourse de Montreal sets out the capital and margin requirements to be used for the BAX contract as follows:

*"The margin requirements which must be effective on all positions in Canadian bankers' acceptance futures contracts held by an approved participant or on behalf of its clients are determined by the Bourse, in collaboration with the Clearing House, from time to time."*

As a result, under current rules, since there is no offset available, the combined margin requirement for a long (or short) Canadian BAs position and a short (or long) BAX contract position is the sum of the normal margin required for an unhedged Canadian BAs position and an unhedged BAX contract position.

Since the final settlement price of the BAX contract is based on the Canadian BA bid yield rate, the settlement price of the BAX contract is highly correlated to the prevailing prices for Canadian BAs. Because of this correlation, it is proposed that Regulation 100.4C be amended to permit an offset between a long (or short) Canadian BAs position and a short (or long) BAX contract position where the margin requirement in respect of both positions would be the greater of the margin required on the long and the short position.

###### B -- ISSUES AND ALTERNATIVES CONSIDERED

Presently, all futures contracts listed on the Bourse de Montreal, with the exception of the BAX contract, may be offset with their underlying interest to reduce the margin required. Three different methods are used in the calculation of the margin requirements for offsets involving the futures contract and the underlying security as follows:

**Method I - Percentage of the market value of the underlying interest**

Under this method, where a futures contract is offset against its underlying interest, the margin required is a fixed percentage of the underlying interest market value. This method is used for offsets involving S&P/TSE 60 Index futures contracts and share futures contracts (for long futures only). Under this method it is assumed that the overall market risk is reduced by the offset and thus the fixed offset percentage used is lower than in the case of an unhedged position.

**Method II - Net long or short position**

Under this method, where a futures contract is offset against its underlying interest, the margin required is the margin calculated on the net long or short position. This method is used for offsets between Government of Canada bonds futures contracts (CGF and CGB) and Government of Canada bonds and share futures contracts (for short positions only). Under this method it is assumed that the overall risk of the hedged position is extremely low because the risk/return profiles of the futures contract and its underlying interest are almost identical.

**Method III - Greater of the margin required on the long or short position**

Under this method, the margin is calculated for each position and only the greater margin requirement calculated is provided. This method is used when bonds (excluding Government Canadian bonds) are offset against CGB or CGF futures contracts. It is also used in offsets between bonds from different issuers as set out in Regulation 100.4C.

The following is an example of how margin requirements would be calculated under the three methods and under the current rule for an offset between a long Canadian BAs position and a short BAX contract position:

<b>Margin Requirements</b>				
Offset of a BAX futures contract priced at \$97.65 (with a margin requirement of \$650 per contract) and 10 bankers acceptances (nominal value of \$100,000) maturing in 51 days priced at \$97.76				
	<b>Simple position (BA)</b>	<b>Simple position (BAX)</b>	<b>Offsets</b>	<b>Difference with actual rules</b>
<b>Current rule</b> <i>(no offset allowed)</i>	\$2,732	\$650	<b>\$3,382</b>	Nil
<b>Method I</b> <i>(1% of market value of underlying)</i>	\$1,366	\$650	<b>\$1,366</b>	-\$2,016
<b>Method II</b> <i>(net value)</i>	\$2,732	\$650	<b>\$3</b>	-\$3,379
<b>Method III</b> <i>(greater margin required on both positions)</i>	\$2,732	\$650	<b>\$2,732</b>	-\$650

Of all the alternative methods, Method III allows some relief in the margin requirement calculated for the offset but remains conservative by assuming the overall risk of the offset is no lower than the risk associated with an unhedged position. The use of the most conservative offset approach is appropriate for the offset between a long (or short) Canadian BAs position and a short (or long) BAX contract position as, even though the settlement price for the BAX contract is based on the average Canadian BA bid rate, the issuer of the BAX contract, the Canadian Derivatives Clearing Corporation, is different from the Canadian BA issuer. The use of Method III for this offset is also consistent with the treatment of other current offsets permitted involving different issuers, as set out in Regulation 100.4C.

**C -- COMPARISON WITH SIMILAR PROVISIONS**

No other jurisdiction has rules that relate to the specific offset being proposed. The United States does however have rules that permit the use of the offsets where margin is calculated based on the greater of margin requirement calculated for the long and short positions. As an example, New York Stock Exchange and Securities Exchange Commission Uniform Net Capital Rule 15c3-1(c)(vi)(F) uses this concept for offsets involving non-convertible debt securities. In the United Kingdom, the margining of debt instruments is done through the calculation of an interest rate position risk requirement. In general, the interest rate position

risk requirement is a much less conservative approach to margining than allowing specific offsets under the Canadian requirements.

**D -- SYSTEMS IMPACT OF RULE**

It is not anticipated that there will be any systems impact resulting from the adoption of this proposed offset rule.

**E -- BEST INTERESTS OF THE CAPITAL MARKETS**

The Board has determined that the public interest Rule is not detrimental to the best interests of the capital markets.

**F -- PUBLIC INTEREST OBJECTIVE**

The objective of this proposal is to acknowledge by regulation that the overall risk can be significantly lower when a long (or short) Canadian BAs position is offset by a short (or long) BAX contract position. As a result, the proposal is designed to:

"facilitate fair and open competition in securities transactions generally;"

The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, members or others. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purpose.

**III COMMENTARY**

**A -- FILING IN OTHER JURISDICTIONS**

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

**B -- EFFECTIVENESS**

The approval of those amendments will result in fair margin requirements based on risk for an offset strategy not currently recognized. An assessment of the effectiveness of the proposed rules in addressing the issues is discussed above.

**C -- PROCESS**

This proposal was developed and approved by the Margin and Capital Subcommittee of the Bourse de Montreal. It has also been reviewed and recommended for approval by the FAS Capital Formula Subcommittee and the Financial Administrators Section.

**IV SOURCES**

References:

Regulation 100.4C

New York Stock Exchange and Securities Exchange Commission Uniform Net Capital Rule 15c3-1(c)(vi)(F)

United Kingdom Securities and Futures Authority, Rules 10-94 to 107

United Kingdom Financial Services Authority, The Investment Business Interim Prudential Sourcebook, June 2000, Rules 10-94 to 107

**V OSC REQUIREMENT TO PUBLISH FOR COMMENT**

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

## **SRO Notices and Disciplinary Proceedings**

---

The Association has determined that the entry into force of the proposed Regulation would be in the public interest. Comments are sought on the proposed Regulation. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Richard J. Corner, Director, Regulatory Policy, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Richard J. Corner  
Director, Regulatory Policy  
Investment Dealers Association of Canada  
(416) 943-908  
rcorner@ida.ca

## INVESTMENT DEALERS ASSOCIATION OF CANADA

## PROPOSED AMENDMENTS

## CAPITAL AND MARGIN REQUIREMENTS FOR AN OFFSET INVOLVING CANADIAN BANK ACCEPTANCES AND THE THREE-MONTH CANADIAN BANK ACCEPTANCE FUTURES CONTRACT - AMENDMENTS TO REGULATION 100.4C

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

1. Regulation 100.4C is repealed and replaced as follows:

## "100.4C. Debt Securities

Where a Member has a short and long position in the following groups of securities (identified by reference to the paragraphs and clauses of Regulation 100.2):

	Long ( <i>Short</i> )		Short ( <i>Long</i> )
(a)	100.2(a)(i) (Canada and U.S. Treasury only)	and	100.2(a)(ii) (Province of Canada only)
(b)	100.2(a)(i) (Canada and U.S. and Treasury only)		100.2(a)(iii) (Canada municipal only)
(c)	100.2(a)(i) (Canada only)	and	100.2(a)(i) (U.S. Treasury only)
(d)	100.2(a)(i) (Canada and U.S. Treasury only)	and	100.2(a)(v) (corporate)
(e)	100.2(a)(ii) (Province of Canada only)	and	100.2(a)(iii) (Canada municipal only)
(f)	100.2(a)(ii) (Province of Canada only)	and	100.2(a)(v) (corporate)
(g)	100.2(a)(v) (corporate)	and	100.2(a)(v) (corporate) of the same issuer
(h)	<u>100.2(b) (Canadian chartered bank acceptances only)</u>	<u>and</u>	<u>BAX futures contract</u>

the margin required in respect of both positions shall be the greater of the margin required on the long or short position; provided the foregoing offset may only be determined on the basis that:

- (i) securities described in Regulation 100.2(a)(v) (corporate) and 100.2(b) (bank paper) will only be eligible for offset if they are not convertible and have a single A or higher rating by any of Canadian Bond Rating Service, Dominion Bond Rating Service, Moody's Investors Service or Standard & Poor's Bond Record;
- (ii) securities in offsetting positions must be denominated in the same currency;
- (iii) securities in offsetting positions must mature within the same periods referred to in Regulation 100.2 for the purpose of determining margin rates; and
- (iv) the market value of the offsetting positions is equal and no offset shall be permitted in respect of the market value of the short (or long) position which is in excess of the market value of the long (or short) position.

For the purposes of this Regulation 100.4C, securities described in Regulation 100.2(b) (bank paper) are eligible for the same offsets set out above as securities described in Regulation 100.2(a)(v) (corporate).



For the purposes of this Regulation 100.4C, the term "BAX futures contracts" shall mean the three-month Canadian bankers acceptance futures contracts that trade on the Bourse de Montreal under the "BAX" trading symbol."

**PASSED AND ENACTED BY THE** Board of Directors this 10th day of April 2002, to be effective on a date to be determined by Association staff.

**13.1.5 Approval of TSE By-Law Number 2**

**NOTICE OF APPROVAL**

The Board of Directors of The Toronto Stock Exchange Inc. (the "TSE") have approved By-Law Number 2 of the TSE, as set out below, which By-Law shall be effective on April 1, 2002.

**BY-LAW NO. 2**

**A By-law Concerning Appeals to the Board of Directors of The Toronto Stock Exchange Inc.**

Any person directly and materially affected by a decision of the Exchange may appeal such decision to the Board of Directors of the Exchange, or to a committee of the Board appointed by the Board, in accordance with such procedures as the Board may adopt from time to time; provided that, should the Board or such committee elect in its sole discretion not to hear such appeal, such person's right to appeal to the Ontario Securities Commission shall not be affected.

**13.1.6 IDA Discipline Penalties Imposed on Joseph John Genovese - Violation of Regulations 1300.1(a), 300.1(c) and By-law 29.1**

Contact:  
Jeffrey Kehoe  
Director, Enforcement Litigation  
(416) 943-6996

*For distribution to relevant parties within your firm*

**BULLETIN #2980**  
April 16, 2002

**Discipline**

Discipline Penalties Imposed on Joseph John Genovese – Violation of Regulations 1300.1(a), 1300.1(c) and By-law 29.1

**Person Disciplined** The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on Joseph John Genovese, at the relevant times a Registered Representative with Nesbitt Burns, Inc., a member of the Association.

**By-laws, Regulations, Policies Violated** On April 8<sup>th</sup>, 2002 the District Council reviewed and accepted a settlement agreement negotiated with the Association's Enforcement Department Staff. In the settlement agreement, Mr. Genovese acknowledged that he:

failed to ensure that the personal circumstances and investment objectives of a client were accurately reflected in the new account documentation prepared when her investment account was opened at Nesbitt Burns Inc.;

made recommendations and carried out transactions for the account of that client that were unsuitable given the client's personal circumstances and investment objectives; and

advised that client to change the investment objectives specified on her account documentation such that the newly-stated objectives did not reflect her personal circumstances and actual objectives.

**Penalty Assessed** The discipline penalties assessed against Mr. Genovese are a fine of \$17,000.00; a requirement that, as a condition of continued approval in any capacity with a Member of the Association, he file monthly supervision reports for two years; and potential suspension without notice if he fails to comply in any way with the penalties awarded. Finally, he has been ordered to pay the Association's costs in an amount of \$8,000.00.

**Summary of Facts** At all relevant times, Mr. Genovese was employed as a Registered Representative with Nesbitt Burns, Inc.

The sanctions levied against Mr. Genovese arose from his conduct towards an unsophisticated client, a retired widow with conservative investment objectives. When she transferred her account, then showing correctly her conservative objectives, to his new employer Nesbitt Burns Inc., he had her sign documentation showing different, far more aggressive objectives although her real objectives had not changed. He then recommended and carried out unsuitable purchases for her, such that the proportion of speculative securities in her account exceeded even the new incorrectly stated objectives. Finally, he improperly persuaded her to again change her recorded objectives to reflect, after the fact, the actual composition of her account.

As a result of the unsuitable purchases for her account, the client suffered a loss of approximately \$275,000.00. The complainant settled with the firm and as part of this settlement, Mr. Genovese contributed \$40,000.

Kenneth A. Nason  
Association Secretary

## Chapter 25

### Other Information

---

---

#### 25.1.1 Securities

---

##### TRANSFER WITHIN ESCROW

---

<u>COMPANY NAME</u>	<u>DATE</u>	<u>FROM</u>	<u>TO</u>	<u>NO. AND TYPE OF SHARES</u>
Aludra Inc.	April 10, 2002	Jeffrey E.Cabral	Shahab Modirmassihai	178,168
Aludra Inc.	April 10, 2002	Rambod Rahnamay- Rabbani	Tsz Ho Wong	178,168
Aludra Inc.	April 10, 2002	Aldo Baiocchi	Shahab Modirmassihai	21,832
Aludra Inc.	April 10, 2002	Aldo Baiocchi	Tsz Ho Wong	21,832
Aludra Inc.	April 10, 2002	Aldo Baiocchi	Johnny Maalouf	200,000
Aludra Inc.	April 10, 2002	Aldo Baiocchi	Bonnie Kuhn	100,000
Aludra Inc.	April 10, 2002	Aldo Baiocchi	Neil Douek	100,000
Aludra Inc.	April 10, 2002	Aldo Baiocchi	Harold Albrecht	2,527,105

This page intentionally left blank

# Index

---

---

<b>962268 Ontario Inc.</b>		
News Release.....	2206	
Order - s. 127 and 127.1.....	2232	
Settlement Agreement.....	2232	
<b>Aludra Inc.</b>		
Transfer Within Escrow.....	2331	
<b>Apna Care Inc.</b>		
News Release.....	2206	
Order - s. 127 and 127.1.....	2232	
Settlement Agreement.....	2232	
<b>Apna Health Corporation</b>		
News Release.....	2206	
Order - s. 127 and 127.1.....	2232	
Settlement Agreement.....	2232	
<b>Archipelago L.L.C.</b>		
MRRS Decision.....	2212	
<b>Bonham &amp; Co. Inc.</b>		
News Release.....	2205	
<b>Bonham, Mark</b>		
News Release.....	2205	
<b>Business Development Bank of Canada</b>		
Order – s. 83.....	2228	
<b>Canada 3000 Inc.</b>		
Cease Trading Orders.....	2241	
<b>Canadian Pacific Enterprises Limited</b>		
MRRS Decision.....	2210	
<b>Canadian Pacific Securities Limited</b>		
MRRS Decision.....	2209	
<b>CARP Canada's Association for the Fifty-Plus</b>		
News Release.....	2206	
<b>Clarica Life Insurance Company</b>		
MRRS Decision.....	2217	
<b>CMP 1999 Resource Limited Partnership</b>		
Order - ss. 83.....	2227	
<b>CSA Staff Notice 41-303, Harmonization of Prospectus Requirements Across the CSA</b>		
Notice.....	2203	
<b>Del Roca Energy Ltd.</b>		
Order - ss. 83.1(1).....	2224	
<b>Fidelity Canadian Short Term Income Class</b>		
Order – ss 59(1) - Reg.....	2225	
<b>Fidelity Capital Structure Corp.</b>		
Order – ss 59(1) - Reg.....	2225	
<b>Franchisemaster Technologies Inc.</b>		
Cease Trading Orders.....	2241	
<b>Harmonization of Prospectus Requirements Across the CSA</b>		
Notice.....	2203	
<b>Hegco Canada Inc.</b>		
Cease Trading Orders.....	2241	
<b>Independent Electricity Market Operator, The</b>		
Exemption – s. 147.....	2230	
<b>INVESTMENT DEALERS ASSOCIATION OF CANADA</b>		
SRO Notices and Disciplinary Proceedings.....	2317	
SRO Notices and Disciplinary Proceedings.....	2319	
SRO Notices and Disciplinary Proceedings.....	2321	
SRO Notices and Disciplinary Proceedings.....	2323	
SRO Notices and Disciplinary Proceedings.....	2330	
<b>Koonar, Sohan Singh</b>		
News Release.....	2206	
Order - s. 127 and 127.1.....	2232	
Settlement Agreement.....	2232	
<b>Krystal Bond Inc.</b>		
Cease Trading Orders.....	2241	
<b>Manitex Capital Inc.</b>		
Cease Trading Orders.....	2241	
<b>Niagara Falls Injury Rehab Centre Inc.</b>		
News Release.....	2206	
Order - s. 127 and 127.1.....	2232	
Settlement Agreement.....	2232	
<b>Northwest International Fund</b>		
MRRS Decision.....	2221	
<b>Northwest Mutual Funds Inc.</b>		
MRRS Decision.....	2221	
<b>Roycap Securities Inc.</b>		
New Registration.....	2315	
<b>Scivest Alternative Strategies Inc.</b>		
New Registration.....	2315	
<b>Selectrehab Inc.</b>		
News Release.....	2206	
Order - s. 127 and 127.1.....	2232	
Settlement Agreement.....	2232	

---

---

---

---

Index

**Shakti Rehab Centre Inc.**

News Release.....	2206
Order - s. 127 and 127.1.....	2232
Settlement Agreement.....	2232

**Spear, Leeds & Kellogg, L.P.**

New Registration.....	2315
-----------------------	------

**Sports & Injury Rehab Clinics Inc.**

News Release.....	2206
Order - s. 127 and 127.1.....	2232
Settlement Agreement.....	2232

**Stox.com Inc.**

Cease Trading Orders.....	2241
---------------------------	------

**Sun Life Financial Services of Canada Inc.**

MRRS Decision.....	2217
--------------------	------

**Tokyo-Mitsubishi Securities (USA) Inc.**

New Registration.....	2315
-----------------------	------

**Toronto Stock Exchange, The**

Notice.....	2204
SRO Notices and Disciplinary Proceedings.....	2329

**Versacold Corporation et al.**

MRRS Decision.....	2215
--------------------	------

**World Wise Technologies Inc.**

Cease Trading Orders.....	2241
---------------------------	------