



CSA Staff Request for Comment 13-401 Request for Changes, Additions or Improvements for a Revised SEDAR System

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1 INTRODUCTION

1.0 Summary

The following document will provide you with; a response to the requested information regarding SEDAR II, possible changes, improvements and additions to SEDAR II, as well as insight into creating a Web-Based SEDAR II software application. Also included in the appendix section is an approach that integrates a strategic methodology for planning, developing and implementing a third generation business solution.

IRGateway.com, Inc. is moving through the process of developing a number of software tools that will assist the investor relations professional in executing their job more effectively, part of which includes SEDAR filings, issues and activities.

IRGateway.com conducted a number of focus group sessions and approached stakeholders requesting their comments on a range of topics including possible improvements, changes and additions to SEDAR and SEDAR.com. Their unedited responses are included in Section 2. It is clear from discussions with users and from the user comments that:

- Many areas of the current systems and processes could be improved upon by moving to an Internet based solution using Web-base technology.
- Current Internet technologies are very effective in their approach to data and information gathering and distribution; all of which could benefit the SEDAR II project.
- A variety of approaches could be considered in developing cost effective solutions for SEDAR II; depending on the approach, desired features and functionality, these could be developed and implemented in a “low cost”, effective and timely manner.

We at IRGateway.com look forward to actively participating in the exciting SEDAR II project and also welcome the opportunity to discuss any of the points mentioned in this document

These recommendations are made in the hope of enhancing SEDAR's vision by providing feedback, framework and a technology options that will provide intelligent interactivity among end users.

1.1 SEDAR Overview

The SEDAR system is an innovative link that enables industry to file securities documents and remit filing fees electronically -- saving time and money. The SEDAR system allows users to gain immediate and intelligent access to public company and mutual fund information in the public domain, and provides an important communications link among issuers, filers and the securities regulatory authorities.

1.2 IRGateway.com Inc.

IRGateway.com is a business-to-business application service provider (ASP) whose unique, proprietary software and services automate the aggregation and redistribution of corporate, investor relation's knowledge to the investment community. With the use of IRGateway.com services, public companies are able to: 1) Increase control over the corporate information that is viewed by the investment community, 2) Increase their channels of communication as well as their audience, 3) Improve the reliability of communication, and 4) Reduce costs.

IRGateway.com has gone through the initial process of researching, scoping and now developing leading edge Web-based interactive investor relation

1.3 Strategic Relationships

IRGateway.com has strategically partnered with Financial Models Corporation (TSE: FMC.TO) as a technology partner. FMC's financial software is used in electronically managing over 10% of the world's financial assets. A publicly traded company, with offices in Toronto, New York, London England and Australia, FMC is among the top organizations in their field.

2.0 Response to Request for Information

2.1 Our Process for Information Gathering

Over the past year IRGateway.com has gathered information and approached a few of the key users of the SEDAR system and requested their input/comments on changes, improvements and additions.

The following questions/guidelines are the basis of our preliminary research and relate specifically to your request for information.

- What changes should be made to the filing process, the fee payment process, access to profiles or the searching process?
- What changes to the user documentation such as filer manuals or user guide should be made?
- Would you see any benefit in capturing additional information in the user profile or would you delete information from the profile that is not being used?
- Should all reporting issuers including foreign issuers be required to file documents?
- If you could calculate fees payable to the CSA for various types of filings would this help? Could you identify the filing types?
- Would the ability to search for a profile within the profile or filing management modules be a good added feature? Please rate this from 1-10 in importance?
- How important would it be to be able to have the ability to retain historic information on an issuer profile, the ability to change the category of the issuer from "other filer" to "other issuer" without having to create a new profile?
- How important would it be if the SEDAR system could sort and validate the profiles in order to avoid duplication in data entry?
- Would it be important if the SEADR system had a memory for frequently performed tasks and a recall function? What functions would you choose?

- Would the ability to search by document type-as can be done in SEDAR.com- important and what advantage would this give in the process?
- Would the ability to file other documents such as exemptive relief applications and private placement forms a valuable function? Explain the benefits.
- Should mutual fund groups be eliminated? Why?
- Would some form of e-Mail notification to the user if a document has been sent to the user's workspace improve the process? How?
- Would the ability to search for specific sections of a document within a document library based on key word important? Example such as, in a prospectus, the plan for distribution, the section describing take-over bid protection for the holders of subordinate voting shares, or the list of officers and directors, and key elements of the financial statements).
- Would the ability to perform full-text searches of documents, or, the ability to search the sections listed above be an important feature?

2.2 Changes, Additions and Improvements to SEDAR-End user Research

“To be notified when we receive receipts for prospectuses or comment letters from the Commissions (similar to email flashing new mail). Currently, we have to keep logging in and out of Sedar and refreshing to see if anything new has been filed.”

“To be notified when documents are sent to our Sedar work space.”

“Not to be charged storage fees after 5:00 on Friday or Saturday and Sunday as we are not aware of large prospectuses or annual reports being sent to our Sedar work space and end up being charged for them. We were charged \$600 because I had no idea that a large annual report had been sent to my Sedar work space and I didn't go in daily to refresh my work space. The sender should have notified me”

“All filing fees for each document for all provinces should be set out. Currently, we have to look up many of the fees in our CCH Manuals which is time consuming.”

“Make filing of shelf or PREP prospectuses easier. For example, several PREP prospectuses have been filed under short form - shelf (NPS 44) rather than clicking on short form (NPS 47) then clicking on page 2 and clicking on NPS 44 - PREP. When that happens, we have to resubmit the filing and filing fees as a new project and apply to the provinces for refunds, which can take several weeks”

“Similarly, make filing of MJDS prospectuses easier. I believe the PREP and MJDS are probably the two items where most misfiling occur and requests for refunds are made; however, the OSC could give you information on incorrect filings and requests for refunds”.

“We should be able to add a recipient agency to a project, i.e. if I file the annual financial statements of a company with all of the commissions, but I forget to click on the TSE, in order to add the TSE I have to make a new submission 2 and file a letter and then add the recipient.”

“Why not file the management proxy circular, the notice and the proxy all as one document. Why do we need to separate it into three separate documents? That is a waste of time.”

“Move related party transaction category next to proxy circular filings, as it is easy to file the documents under management proxy circular and not realize we should file under related party filings.”

“If eventually applications for exemptions are to be filed on Sedar, which would make it easier and save time from ordering cheques and making delivery packages and faxing copies, they should set out the name of the application and not just the section number, i.e. rather than listing several choices of applications such as: s.44(3) application, s.56 application, s.39(1)(d) application they should list the choices in more detail as I wouldn't know what a s.44(3) application in Saskatchewan is. The following would be preferable: exchange listing application s.44(3) \$250 exemption from prospectus requirements s.83 \$400 valuation waiver on take-over s.89 \$250”

“We pay a lot of money to CDS in filing fees, why not be able to perform more searches for free.”

“Retain historic information or old names on the index, so if I searched BCB Holdings Limited, but it is now called BCB Voice Systems, it would pull up the new name. I just searched BCB Holdings and it came up with search results - 0. If I don't know the new name, then I'm out of luck”

“Several of our lawyers or students ask me to print documents because I have a high speed printer. If they print the documents at a regular printer, some prospectuses have big black circles covering most of the page (more so with prospectuses printed by Bowne rather than by Quebecor).”

“We don't deal with mutual fund groups here very often, however, from past experience I would say no you cannot get rid of the group. Several individual funds have the same name and you wouldn't know where to file the documents without the group name.”

“If Canada Newswire issues a press release and files it on Sedar on behalf of a company and a week later we file a material change report, then 3 to 6 months later we receive a request from Quebec for the press release filing fee. We do not have secondary access to the press release and Canada Newswire will not pay the \$100 filing fee, which is a bother. Typically, when filing a material change report we pay the Quebec fee at the time of filing the report, rather than with the press release as required by the Quebec Securities Act”

“Expand the search categories when in www.sedar, for example, rather than searching prospectus, we should be able to search convertible debentures or debt offerings.”

“We should be able to print lists, such as a list of all take-overs or a list of all issuer bids. I believe currently when in Sedar (as opposed to www.sedar), if you print the search results, they print one item per page which is a big waste of paper.”

“I would like to point out that the problem we encountered the other day when filing valuation reports with our take-over bid does not occur very often. There were annotation embedded codes in the document which Sedar would not accept, but in my three years of working with Sedar, that is the first time I believe a pdf document was not accepted.”

“If a client sends us financial statements in excel, and other statements or agreements in wordperfect and the prospectus is prepared in word, then to combine all three into one document in order to convert it into pdf, I need to have our computer systems people convert it into one document.

“The length of time it takes to set up a project is too long, i.e. the process of saving the documents in the appropriate c:\sedar\filings file and then attaching those documents to the appropriate place in the project is time consuming.”

” It would be useful if we could add a secondary filer before a project is submitted, for example, I could have all of the documents for a prospectus ready, including consents, financials, filing fees, etc. set up, then around 11:00 the printers with the lawyer could add the final prospectus and click on submit. Or if this was a web based platform, then we could submit a project from home, without having to dial up through a modem into Sedar.”

“Whoever submits the filings must have a good understanding of the securities law. For example, if a lawyer asks how late can I file this take-over, someone might say Sedar is open until 11:00. However, if it's an Ontario corporation and you file after 5:00, the date of filing counts as the following day, which can throw off the timing of a take-over.”

” Another example of knowing the securities law is if a lawyer gives the filer a normal course issuer bid, the filer looks for normal course issuer bid in the Sedar categories and cannot locate it. The filer must know what other category to file under. Similarly, the filer must know whether they are filing a long form prospectus, a short form, a PREP, a supplement, an MJDS, whether the company is a POP issuer, etc.”

“The ability to change "other filer" to "other issuer" might be dangerous, but I'm not certain. I believe the Securities Act was recently amended in that after doing a take-over, a company does not automatically become a reporting issuer in Ontario.”

“It would be a good idea if the Sedar system would not allow duplicate entries of profiles for one company.”

” Perhaps using a recall function for annual financials and the filing fees, quarterly financials, proxy material and renewal AIFs might be useful.”

“The ability to search for specific sections within a document is important, such as searching for outstanding capital or options or poison pills. I hope the above is of some assistance. Please call or email me if you require anything further.”

2.2 Comments relating to integrating SEDAR software and SEDAR.Com as an automated Web-base solution

“To be able to perform full text searches would be great”.

“It is definitely easier for everyone to retrieve and print documents from www.sedar in pdf, however, sometimes I have difficulties converting wordperfect and Microsoft and excel documents into pdf in order to file them.”

“If there is a very large document with graphics or charts, some people have a difficult time downloading it or opening it. One needs a good computer to work with Sedar”.

“Sometimes we have modem dial-up connection problems.”

“If we could set up a profile for each of our clients so each time you file a project, you don't have to retype the same information, such as contact, phone number, applicable commissions, principal regulator, etc., it would save time. When filing financial statements for example, I have to go into the company's profile to see where

they are a reporting issuer. Perhaps make that a default function when you enter the company's name in a new project, the jurisdictions and stock exchanges are automatically entered for that project the same as what is recorded in the company's profile.”

6.0. Conclusion Summary Points

- Integrating SEDAR and SEDAR.com is a solid possibility.
- Formalizing a road map, in order to clearly map out the desired outcomes, would accelerate the process.
- Completing an ePilot with a selected group of stakeholders before going to full implementation will reduce the risk.
- IRGateway.com has moved through the process of evaluating and scoping a system that could interface with SEDAR II and is prepared to share this experience with SEDAR.

With its innovative group of services, seasoned management team and strong industry partners,IRGateway.com is well positioned to take a leadership role in this new, emerging area of internet based solutions for investor relations.

For a more detailed overview of IRGateway.com , please contact David L. Melia, Vice President, Corporate Development, david.melia@irgateway.com 416-362-2100.

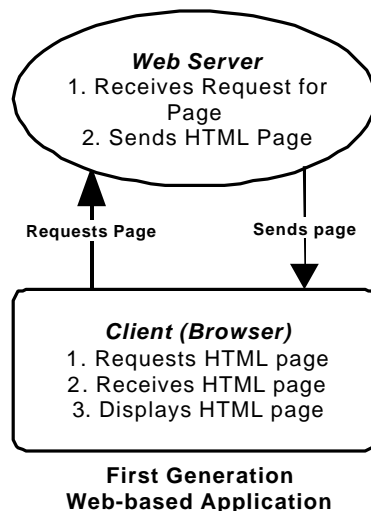
Appendix-A The Evolution of Web-based Technology (WBT)

Choosing a technology is often very difficult, not to mention frustrating. For this reason it is recommended that SEDAR attempt to build this system in stages enabling SEDAR to evaluate the effectiveness of the system at specific points along the road. This approach will enable various levels of management to gauge the return on investment in a controlled setting.

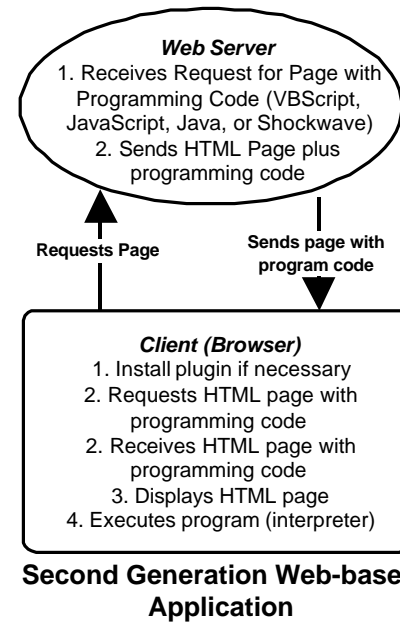
Understanding the evolution of Web-based Technology (WBT) becomes a very important success factor in implementing a strategy which best fits SEDAR and its client's needs. The history of the development of online application tools is best expressed in the form of a generation evolution that has enabled software tools to more effectively reflect the power of each subsequent generation of technology.

The following will illustrate the evolutions of WBT. This will enable SEDAR to make a decision based on the best generation for their particular application.

The first three generations of web based technology are shown in the diagrams that follow.

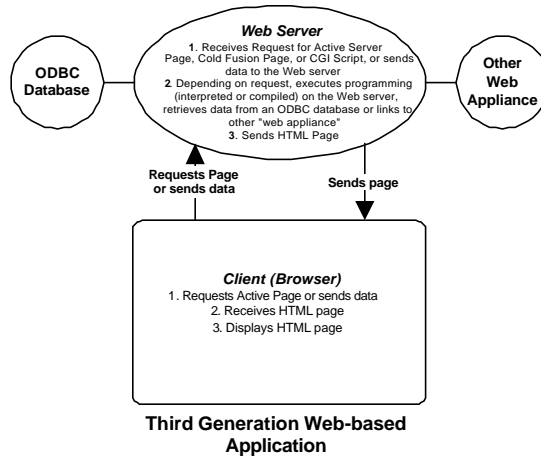


In the first generation of web based technology, there was little interactivity as design was based on a simple book model. Linked HTML pages allowed movement among topics, and forms using CGI scripts were used to gather information, which was then sent via e-mail to various locations.



In second generation WBT, interactivity is added through "plug-ins" (such as Shockwave) or through Java and/or client side scripting languages. Plug-ins has to be installed on the client machines, and then data is downloaded to run a program. If Java is used, then the data for the Java "applet" is downloaded to the client computer and run through the Java Virtual Machine. In spite of its cross-platform capabilities, different versions of Java run differently in Macintosh and IBM computers. Finally, the plug-in program or Java applet runs within a confined space, rather than on the whole page.

The full potential value of third- and fourth-generation WBT needs to be realized by designing a SEDAR II software solution that is based on an intelligent database. In doing this SEDAR will provide a solutions to their clients that incorporates the newest technology.



Third generation web based technology connects to any ODBC database, and carries out all programming on the web server side. Web pages are built on the fly in response to user input, and pure HTML pages are sent back to the client browser. This means total cross platform compatibility with any recent browser.

Fourth Generation Web Solutions

Fourth generation web based technology includes the following features:

- Usage of broadband services such as ADSL, or Cable Modem
- Link to high speed, high capacity digital video servers
- Use natural language interfaces including voice and/or text
- Incorporate some degree of artificial intelligence
- Distribute objects on the Internet
- Common "information grid" with "web appliances"

Appendix-B Developing Web-Based Technology Solutions

Although SEDAR and CSA have taken steps with respect to the information gathering process and the development of a road map for SEDAR II, the following process and methodology enabled IRGateway.com Inc., to systematically move through the steps of assessing, planning, testing and now building their market unique web-based investor relations software system. The purpose of this section of the document is to assist in streamlining the SEDAR II development process.

Planning Process and Methodology

This process enables decision-makers to effectively benchmark the process, thereby ensuring maximum control of the costs and the results. This could significantly reduce their personal and professional risk.

Step one would involve the evaluation of the existing state of technology at SEDAR to determine the possibilities related to implementing a comprehensive Web-based Solution. The second phase will involve the identification of appropriate modules for the system.

A documented, comprehensive technical design specification for the system should be the first deliverable for SEDAR. In addition, a system prototype should be developed for research, field-testing and evaluation. SEDAR will modify this prototype as needed and prepare it for integration into the existing technology.

While this methodology is extremely effective, it should also be sufficiently flexible to accommodate SEDAR's individual requirements. For example, the timing and positioning of an initial **ePilot** project that delivers immediate evidence of the results should be incorporated into the initial **Diagnostic Assessment** process.

4.2 PHASE 2: Diagnostic Assessment

Phase 2 is divided into several steps:

Step 1: Identify business objectives and desired outcomes

The first step of any **Diagnostic Assessment** is to evaluate the business objectives in relation to the desired outcomes. This involves making the business objects explicit and identifying the possible changes that will come about as a result of implementing a WBT strategy.

Deliverables for Step 1 include:

- Identification of business objectives
- Identify and consult with a small group of key members for preliminary research purposes
- Gather information on the perceived need for, and uses of, Web-based strategy
- An analysis of the pros and cons of implementing a Web-based strategy

Step 2: Identify and consult with all relevant stakeholders

In this step we identify and consult with potential end-users and other stakeholders in the Web-based Solution. The objective is to make sure that requirements are collected from multiple sources and that they reflect those sources' viewpoints, including user, stakeholder and domain viewpoints.

Deliverables for Step 2 include:

- Identify all potential end-users of the Web-based Solution
- Identify business process the solution is to support and the staff involved in those processes
- Identify stakeholders' responsible for maintaining the solution once it is implemented

- Identify the environment and specific cultural issues as they relate to methodology and practices.

Step 3: Identify functionality required to achieve business objectives and the gap between the current state and the desired state of expertise

The objective of this step is to ensure that current functionality is identified, and the desired functionality is measured and clearly tied to business objectives.

Deliverables for step 3 include:

- Document existing level of functionality
- Identify all required functionality levels and their source
- Document how each required functionality level is related to specific business concerns
- Document the gap between existing level of functionality and required level of functionality
- Identify and document measurement procedures for evaluating whether or not a specific gap has been eliminated

Step 4: Identify a strategy to eliminate the identified gap

The objective of step 4 is to identify a strategy that will successfully eliminate the identified gap between existing and required functionality. This strategy must accommodate the specific needs of the individual corporation as they relate to an improved SEDAR II System.

Deliverables for Step 4 include:

- Outline of a technology development strategy
- Analysis of the advantages to SEDAR clients in adopting this strategy
- Analysis of the advantages to SEDAR of adopting this strategy
- Identification of the tracking mechanism that will monitor and document how well the gaps has been eliminated.
- Determine usability criteria that will impact the effectiveness of this strategy.

Step 5: Analysis of the business value of the WBT strategy

In this step we identify a number of measurable objectives that can be used to assess the business value of the proposed solution

Deliverables for Step 5 include:

- Identification of measurable objectives for assessing the business value of the solution
- Identification of methods for measuring business value

Step 6: Identify Organizational/political issues

The objective of this step is to identify any influences or issues that may impact the system requirements.

Deliverables for step 6 include:

- Identification of any conflicting goals among and between stakeholders and end users
- Identification of corporate culture issues
- Identification of existing age-gap/knowledge-gap/technology-gap syndrome(s)

Step 7: Assess the existing and required technology infrastructure and operating environment

The objective of this step is to identify operating environment or infrastructure issues.

Deliverables for Step 7 include:

- Identification of current and required operating environment
- Identification of current and required technology infrastructure
- Identification of host operating system
- Identification of other hardware systems interacting with the system
- Identification of how the operating environment might change over time

4.3 PHASE 3: ePilot

In Phase 3 of the planning process, a model of the required Solution environment and a model of the Solution architecture will be developed and tested. A customized project plan and design document that is specific to SEDAR will be completed

Phase 3 is divided into 3 steps:

Step 1: Model the required system environment and the architecture of the proposed solution.

On the basis of the information gathered in Phase 2 of the project we will develop a paper-based model of the environment in which the proposed system will run, as well as a functional model of the proposed technology solution showing all component parts and information linkages.

Deliverables for Step 1 include:

- Data-processing model- to show how data is processed at different stages in the solution
- Stimulus-response model- consisting of state transition diagrams to show how the system reacts to internal and external events
- Process model- to show the principal activities and deliverables involved in carrying out some action or request
- Model of the system environment- showing other automated systems that are interfaced to it. Showing other business processes that may use the same system
- Model of the solution's architecture - showing the sub-systems of the proposed Solution and how they communicate with each other
- Documentation of measurement techniques and related tracking mechanisms

Step 2: Construct a design document

In this step, we will develop a customized project plan, and a design document to meet specific needs. As part of the design document we will create a preliminary prototype to allow key stakeholders to experiment

and refine ideas about required "look and feel". In addition to this, we will offer a timeline for delivery and review cycles.

Deliverables for Step 2 include:

- Identify and interview key stakeholders, including subject matter experts (SME's)
- A customized project plan delineating this solution consisting of requirements and the means for achieving those requirements on the basis of stakeholder interviews.
- A detailed design document delineating all elements to be included in the solution.
- A paper-based prototype for stakeholders' reactions
- Tractability tables linking requirements, source of requirements request and rationale for requirements and record of rejected requirements
- Establish timeline and review cycles

Step 3: Construct a Prototype

In this step the proposed solution is prototyped using some of the actual technology that will be used in the final product. The purpose of this step is to provide stakeholders with an opportunity for real-time review, validation and refinement of solution requirements and technology. This step will also be used to elicit modifications to the original list of requirements, as well as the addition of further requirements. The stated business objectives will be used as a guide to help designers prioritize such factors as speed of implementation, cost, testing, tracking, and level of complexity of functions as we determine which solution best fits your SEDAR's needs.

Deliverables for Step 3 include:

- Modified paper-based outline of the prototype design reflecting stakeholders' reactions to original paper-based prototype design
- Identify key measurements to be achieved in terms of gap analysis results
- Develop web-based prototype
- Implement web-based prototype
- Test web-based prototype with relevant stakeholders
- Create document detailing stakeholders' responses to web-based

- prototype and any further requirements for that prototype
- Modify web-based prototype on the basis of stakeholders' responses

4.4 PHASE 4: Enterprise-wide Integration

In this phase the solution is fully implemented on an enterprise-wide basis within a group of SEDAR identified clients. This implementation involves identifying and managing changes to agreed requirements, managing the relationships between different requirements, as well as managing the dependencies between the original requirements document (of Phase 2) and other documents produced. Phase 4 is made up of two steps:

Step 1: Create the enterprise-wide solution

Working with your designated internal experts, the project manager will manage the entire creative process. They will arrange for top-quality designers, graphics designers, programmers, language translators and any other specialists' skills that your Solution may require in addition to your internal experts.

Deliverables for Step 1 include:

- Identify and prioritize functional areas of the system, which demonstrate the greatest need for a solution.
- Identify and map strategic relationships with vendors, customers and alliance associates which define the essence of the extended enterprise (and are relevant to the solution strategy for the enterprise)
- Develop an appropriate enterprise-wide system
- Conduct a usability analysis
- Manage the creative process
- Supply required specialists
- Integrate all phases of the solution and populate with approved data
- Create and/or integrate all required audio, visual and graphic elements

- Implement and deliver alpha, beta and release phases

Step 2: Test the enterprise-wide WBT/Solution

As part of the development process we will arrange to test both the solution and the technology to ensure that all components work together in the way that satisfies your needs and expectations. The level of detail and complexity of the testing will depend on the identified business goals and is done to ensure that these goals are achieved.

Deliverables for Step 2:

- Perform Quality Assurance Testing
- Test and validate solution with relevant stakeholders
- Assure reliability, availability, maintainability and security enterprise-wide.