The Ontario Securities Commission

OSC Bulletin

May 26, 2000

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

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Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

May 26, 2000

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
19th Floor, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

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THE COMMISSIONERS

David A. Brown, Q.C., Chair	—	DAB
John A. Geller, Q.C., Vice-Chair	—	JAG
Howard Wetston, Q.C. Vice-Chair	—	HW
Kerry D. Adams, FCA	—	KDA
Stephen N. Adams, Q.C.	—	SNA
Derek Brown	—	DB
Morley P. Carscallen, FCA	—	MPC
Robert W. Davis	—	RWD
John F. (Jake) Howard, Q.C.	—	JFH
Robert W. Korthals	—	RWK
Mary Theresa McLeod	—	MTM
R. Stephen Paddon, Q.C	—	RSP

SCHEDULED OSC HEARINGS

Date to be announced

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
Mr. I. Smith in attendance for staff.

Panel: HW / DB / MPC

Date to be announced

Richard Thomas Slipetz

s. 127
Mr. T. Moseley in attendance for staff.

Panel: TBA

Hearing will take place at:
Alcohol & Gaming Commission of Ontario
Atrium on Bay
20 Dundas Street West
7th Floor
Hearing Room "D"
Toronto, Ontario

Date to be announced	**2950995 Canada Inc., 153114 Canada Inc., Robert Armstrong, Jack Austin, Suzanne Ayscough, Mary Bradley, Gustavo Candiani, Patricia Carson, Stephen Carson, Lucy Caterina, Micheline Charest, Mark Chernin, Alison Clarke, Susannah Cobbold, Marie-Josée Corbeil, Janet Dellosa, François Deschamps, Marie-Louise Donald, Kelly Elwood, David Ferguson, Louis Fournier, Jean Gauvin, Jeffrey Gerstein, Benny Golan, Menachem Hafsari, Amir Halevy, Jerry Hargadon, Karen Hilderbrand, Jorn Jessen, Bruce J. Kaufman, Mohamed Hafiz Khan, Kathy Kelley, Phillip Kelley, Lori Evans Lama, Patricia Lavoie, Michael Légaré, Pierre H. Lessard, Carol Lobissier, Raymond McManus, Michael Mayberry, Sharon Mayberry, Peter Moss, Mark Neiss, Gideon Nimoy, Hasanain Panju, Andrew Porporino, Stephen F. Reitman, John Reynolds, Mario Ricci, Louise Sansregret, Cassandra Schafhausen, Andrew Tait, Lesley Taylor, Kim M. Thompson, Daniel Tierney, Barrie Usher, Ronald A. Weinberg, Lawrence P. Yelin and Kath Yelland** s. 127 Ms. S. Oseni in attendance for staff. Panel: TBA Hearing will take place at: **Alcohol & Gaming Commission of Ontario** Atrium on Bay 20 Dundas Street West 7th Floor Hearing Room D Toronto, Ontario	
Date to be announced	**Amalgamated Income Limited Partnership and 479660 B.C. Ltd.** s. 127 & 127.1 Ms. J. Superina in attendance for staff. Panel: TBA Hearing will take place at: **Alcohol & Gaming Commission of Ontario** Atrium on Bay 20 Dundas Street West 7th Floor Toronto, Ontario	
Jul 31/2000- Aug18/2000 10:000 a.m.	**Paul Tindall and David Singh** s. 127 Ms. M. Sopinka in attendance for staff. Panel: TBA	

ADJOURNED SINE DIE

	DJL Capital Corp. and Dennis John Little
	Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall, DJL Capital Corp., Dennis John Little and Benjamin Emile Poirier
	Irvine James Dyck
	M.C.J.C. Holdings Inc. and Michael Cowpland
	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

PROVINCIAL DIVISION PROCEEDINGS

Date to be announced	**Michael Cowpland and M.C.J.C. Holdings Inc.** s. 122 Ms. M. Sopinka in attendance for staff. Courtroom 122, Provincial Offences Court Old City Hall, Toronto
June 5/2000 June 6/2000 June 7/2000 June 8/2000 June 9/2000 10:00 a.m.	**Einar Bellfield** s. 122 Ms. K. Manarin in attendance for staff. Courtroom A, Provincial Offences Court Old City Hall, Toronto
June 6/2000 2:00 p.m. Pre-trial conference Oct 10/2000 - Nov 3/2000 Trial	**Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall** s. 122 Ms. J. Superina in attendance for staff. Court Room No. 9 114 Worsley Street Barrie, Ontario
June 20/2000 July 21/2000 10:00 a.m.	**Glen Harvey Harper** s.122(1)(c) Mr. J. Naster in attendance for staff. Courtroom 121, Provincial Offences Court Old City Hall, Toronto
July 11/2000 July 18/2000 9:00 a.m.	**Arnold Guettler, Neo-Form North America Corp. and Neo-Form Corporation** s. 122(1)(c) Mr. D. Ferris in attendance for staff. Court Room No. 124, Provincial Offences Court Old City Hall, Toronto
Oct 16/2000 - Dec 22/2000 10:00 a.m.	**John Bernard Felderhof** Mssrs. J. Naster and I. Smith for staff. Courtroom TBA, Provincial Offences Court Old City Hall, Toronto
Dec 4/2000 Dec 5/2000 Dec 6/2000 Dec 7/2000 9:00 a.m. Courtroom N	**1173219 Ontario Limited c.o.b. as TAC (The Alternate Choice), TAC International Limited, Douglas R. Walker, David C. Drennan, Steven Peck, Don Gutoski, Ray Ricks, Al Johnson and Gerald McLeod** s. 122 Mr. D. Ferris in attendance for staff. Provincial Offences Court Old City Hall, Toronto

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

1.1.2 Amendment to IDA Policy 6 – Part I, *Proficiency Requirements* - Notice of Commission Approval

AMENDMENT TO IDA POLICY 6
PART I, *PROFICIENCY REQUIREMENTS*

NOTICE OF COMMISSION APPROVAL

On May 9, 2000 the Commission approved amendments to IDA Policy 6 – Part I Proficiency Requirements. The amendments shorten the training period for Investment Representatives from 90 to 30 days. Investment Representatives are registered salespersons that do not provide advice to clients. The Commission approved implementation of the amendments on an emergency basis. A copy and description of the amendment and the Commission's approval of implementation was published April 7, 2000 at (2000) 23 OSCB 2489. No comments were received.

1.2 News Releases

1.2.1 OSC Names Chief Mining Consultant

May 19, 2000

OSC Names Chief Mining Consultant

Toronto - Recognizing the vital role technical experts play in the disclosure filings for the natural resources industry, the Ontario Securities Commission has hired Deborah McCombe, B.Sc. P. Geo. to the newly created position of Chief Mining Consultant, in the Corporate Finance Branch. She will start on May 23, 2000.

"It is critical that when a natural resource issuer is reviewed by staff that the review encompass the technical information disclosed by the issuer," said Kathryn Soden, Director of Corporate Finance. She added that "Deborah will not only have key operating responsibilities in terms of reviews of filings, but will also have an important role to play in policy development."

Ms. McCombe will work along with other OSC and CSA staff on the reformulation of National Policies 2A and 22 into National Instrument 43-101, ***Standards of Disclosure for Mineral Projects.*** The proposed instrument implements the disclosure related recommendations of the TSE/OSC Mining Standards Task Force. The comment period on proposed NI 43-101 closes on May 24. The CSA working group, of which Ms. McCombe will become a member, will review and analyse the comments made and make changes to NI 43-101 as necessary. It is expected that a final instrument will be effective before the end of the year.

Ms. McCombe will also work with the Continuous Disclosure Team in the Corporate Finance branch to examine the technical information associated with natural resource issuers' continuous disclosure filings. The review of continuous disclosure information is becoming more and more of a focus at the OSC. Once NI 43-101 is finalized, staff review for compliance with its requirements will be undertaken.

Ms. McCombe has over 25 years experience in the mining industry, most recently as President of the international firm of consulting geologists and engineers Watts, Griffis and McOuat. Her career has focussed on due diligence reviews, mineral exploration and mine development evaluations, international project management, and mineral property valuations in connection with mergers and acquisitions. Mrs. McCombe has been involved in projects throughout North America, SE Asia, Africa and the Middle East.

Reference:

Kathryn Soden
Director, Corporate Finance
(416) 593-8149

Rowena McDougall
Corporate Communications Officer
(416) 593-8117

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 2950995 Canada Inc. et al. - s. 127

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

AND

IN THE MATTER OF
2950995 CANADA INC., 153114 CANADA INC., ROBERT ARMSTRONG, JACK AUSTIN, SUZANNE AYSCOUGH, MARY BRADLEY, GUSTAVO CANDIANI, PATRICIA CARSON, STEPHEN CARSON, LUCY CATERINA, MICHELINE CHAREST, MARK CHERNIN, ALISON CLARKE, SUSANNAH COBBOLD, MARIE-JOSÉE CORBEIL, JANET DELLOSA, FRANÇOIS DESCHAMPS, MARIE-LOUISE DONALD, KELLY ELWOOD, DAVID FERGUSON, LOUIS FOURNIER, JEAN GAUVIN, JEFFREY GERSTEIN, BENNY GOLAN, MENACHEM HAFSARI, AMIR HALEVY, JERRY HARGADON, KAREN HILDERBRAND, JORN JESSEN, BRUCE J. KAUFMAN, MOHAMED HAFIZ KHAN, KATHY KELLEY, PHILLIP KELLEY, LORI EVANS LAMA, PATRICIA LAVOIE, MICHAEL LÉGARÉ, PIERRE H. LESSARD, CAROL LOBISSIER, RAYMOND MCMANUS, MICHAEL MAYBERRY, SHARON MAYBERRY, PETER MOSS, MARK NEISS, GIDEON NIMOY, HASANAIN PANJU, ANDREW PORPORINO, STEPHEN F. REITMAN, JOHN REYNOLDS, MARIO RICCI, LOUISE SANSREGRET, CASSANDRA SCHAFHAUSEN, ANDREW TAIT, LESLEY TAYLOR, KIM M. THOMPSON, DANIEL TIERNEY, BARRIE USHER, RONALD A. WEINBERG, LAWRENCE P. YELIN AND KATH YELLAND

ORDER
(Section 127)

WHEREAS on April 20, 2000, the Director of the Ontario Securities Commission ("the Commission") made a temporary order pursuant to subsection 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), that none of the Respondents shall trade in any securities of CINAR Corporation ("CINAR"), subject to the terms set out in the order, for a period of 15 days from the date of the order (the "Temporary Cease Trading Order");

AND WHEREAS on April 27, 2000 the Commission issued a Notice of Hearing pursuant to subsection 127(9) of the Act;

AND WHEREAS the Hearing with respect to the Respondents, 2950995 Canada Inc., 153114 Canada Inc., Micheline Charest, and Ronald A. Weinberg, was adjourned to a date to be fixed in June, 2000.

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

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) of the Act that all trading, whether direct or indirect, by the Respondents, 2950995 Canada Inc., 153114 Canada Inc., Micheline Charest, and Ronald A. Weinberg, in the securities of CINAR shall cease until the earlier of the following events:

(a) a hearing in this matter, with respect to these Respondents, is completed; or

(b) two full business days following the receipt by the Commission of all filings CINAR is required to make pursuant to Ontario securities law;

May 9th, 2000.

"J. A. Geller" "Morley P. Carscallen"

"R. Stephen Paddon"

2.1.2 Green Line Resources Fund et al. - MRRS Decision

Headnote

Subsection 62(5) - Extension of lapse date sought to permit the re-organization and the integration of the operations of two groups of mutual funds following the merger and acquisition of control of the manager of one of the groups of mutual funds.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., 62(5).

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

AND

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

AND

IN THE MATTER OF GREEN LINE RESOURCE FUND, GREEN LINE ENERGY FUND, GREEN LINE PRECIOUS METALS FUND, GREEN LINE ENTERTAINMENT & COMMUNICATIONS FUND, GREEN LINE SCIENCE & TECHNOLOGY FUND, GREEN LINE HEALTH SCIENCES FUND, GREEN LINE CANADIAN T-BILL FUND, GREEN LINE PREMIUM MONEY MARKET FUND, GREEN LINE CANADIAN MONEY MARKET FUND, GREEN LINE U.S. MONEY MARKET FUND, GREEN LINE SHORT TERM INCOME FUND, GREEN LINE MORTGAGE FUND, GREEN LINE MORTGAGE-BACKED FUND, GREEN LINE CANADIAN BOND FUND, GREEN LINE REAL RETURN BOND FUND, GREEN LINE MONTHLY INCOME FUND, GREEN LINE BALANCED INCOME FUND, GREEN LINE BALANCED GROWTH FUND, GREEN LINE DIVIDEND FUND, GREEN LINE BLUE CHIP EQUITY FUND, GREEN LINE CANADIAN EQUITY FUND, GREEN LINE VALUE FUND, GREEN LINE CANADIAN SMALL-CAP EQUITY FUND, GREEN LINE U.S. BLUE CHIP EQUITY FUND, GREEN LINE U.S. MID-CAP GROWTH FUND, GREEN LINE U.S. SMALL-CAP EQUITY FUND, GREEN LINE CANADIAN GOVERNMENT BOND INDEX FUND, GREEN LINE CANADIAN INDEX FUND, GREEN LINE U.S. INDEX FUND, GREEN LINE U.S. RSP INDEX FUND, GREEN LINE INTERNATIONAL RSP INDEX FUND, GREEN LINE DOW JONES INDUSTRIAL AVERAGE℠ INDEX FUND, GREEN LINE EUROPEAN INDEX FUND, GREEN LINE JAPANESE INDEX FUND, GREEN LINE GLOBAL GOVERNMENT BOND FUND, GREEN LINE GLOBAL RSP BOND FUND, GREEN LINE GLOBAL SELECT FUND, GREEN LINE INTERNATIONAL EQUITY FUND, GREEN LINE EUROPEAN GROWTH FUND, GREEN LINE JAPANESE GROWTH FUND, GREEN LINE ASIAN GROWTH FUND, GREEN LINE EMERGING MARKETS FUND, GREEN LINE LATIN AMERICAN GROWTH FUND (individually a "Green Line Fund" and collectively, the "Green Line Funds")

AND

IN THE MATTER OF CANADA TRUST MONEY MARKET FUND, CANADA TRUST PREMIUM MONEY MARKET FUND, CANADA TRUST SHORT TERM BOND FUND, CANADA TRUST MORTGAGE FUND, CANADA TRUST MONTHLY INCOME FUND, CANADA TRUST DIVIDEND INCOME FUND, CANADA TRUST BOND FUND, CANADA TRUST INTERNATIONAL BOND FUND, CANADA TRUST HIGH YIELD INCOME FUND, CANADA TRUST BALANCED FUND, CANADA TRUST RETIREMENT BALANCED FUND, CANADA TRUST GLOBAL ASSET ALLOCATION FUND, CANADA TRUST STOCK FUND, CANADA TRUST SPECIAL EQUITY FUND, CANADA TRUST NORTH AMERICAN FUND, CANADA TRUST U.S. EQUITY FUND, CANADA TRUST INTERNATIONAL EQUITY FUND, CANADA TRUST EMERGING MARKETS FUND, CANADA TRUST GLOBAL GROWTH FUND, CANADA TRUST AMERIGROWTH FUND, CANADA TRUST EUROGROWTH FUND, CANADA TRUST ASIAGROWTH FUND, CANADA TRUST BALANCED INDEX FUND, CANADA TRUST CANADIAN BOND INDEX FUND, CANADA TRUST CANADIAN EQUITY INDEX FUND, CANADA TRUST U.S. EQUITY INDEX FUND, CANADA TRUST INTERNATIONAL EQUITY INDEX FUND (individually a "CT Fund" and collectively, the "CT Funds")

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, Yukon Territory, Northwest Territories and Nunavut Territory (the "Jurisdictions") has received an application from TD Asset Management Inc. ("TDAM") in its capacity as trustee, manager, investment adviser and principal distributor of the Green Line Funds and CT Investment Management Inc. ("CTIMG") in its capacity as manager, investment adviser and principal distributor of the CT Funds (a Green Line Fund or CT Fund individually, a "Fund" and the Green Line Funds and CT Funds collectively, the "Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the time periods prescribed by the Legislation for filing the *pro forma* simplified prospectus and *pro forma* annual information form and the simplified prospectus and annual information form (collectively, the "Renewal Prospectus") of each Fund be extended to the time periods that would be applicable if the lapse date for the distribution of the units of each Fund were October 30, 2000;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the

Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS TDAM and the Green Line Funds have represented to the Decision Makers that:

1. TDAM is a wholly-owned subsidiary of The Toronto-Dominion Bank ("TD Bank").

2. The Green Line Funds consist of 43 open-end mutual fund trusts established under the laws of Ontario by declarations of trust.

3. The Green Line Funds are qualified for distribution in the Jurisdictions by means of 6 simplified prospectuses and 3 annual information forms (collectively, the "TD Disclosure Documents") that have been prepared and filed in accordance with the Legislation.

4. Pursuant to the Legislation the earliest lapse date for the distribution of securities of the Green Line Funds under the TD Disclosure Documents is July 23, 2000.

5. Pursuant to the Legislation the earliest date by which *pro forma* versions of the TD Disclosure Documents must be filed with Canadian securities regulatory authorities is June 23, 2000 in the absence of the exemptive relief granted hereby.

6. Each Green Line Fund is a reporting issuer in each of the Jurisdictions and is not in default of any of the requirements of the securities laws of such Jurisdictions.

7. There have been no material changes in the affairs of the Green Line Funds since the date of the TD Disclosure Documents in respect of which an amendment to the TD Disclosure Documents has not been prepared and filed in accordance with the Legislation.

AND WHEREAS CTIMG and the CT Funds have represented to the Decision Makers that:

1. The CT Funds consist of 27 open-end mutual fund trusts established under the laws of Ontario by declarations of trust.

2. The CT Funds are qualified for distribution in the Jurisdictions by means of a simplified prospectus and annual information form (collectively, the "CT Disclosure Documents") that have been prepared and filed in accordance with the Legislation.

3. Pursuant to the Legislation the earliest lapse date for the distribution of the securities of the CT Funds under the CT Disclosure Documents is June 15, 2000.

4. Pursuant to the Legislation the earliest date by which *pro forma* versions of the CT Disclosure Documents must be filed with Canadian securities regulatory authorities is May 16, 2000 in the absence of the exemptive relief granted hereby.

5. Each CT Fund is a reporting issuer in each of the Jurisdictions and is not in default of any of the requirements of the securities laws of such Jurisdictions.

6. There have been no material changes in the affairs of the CT Funds since the date of the CT Disclosure Documents in respect of which an amendment to the CT Disclosure Documents has not been prepared and filed in accordance with the Legislation.

AND WHEREAS each of TDAM and CTIMG have represented to the Decision Makers that:

1. On February 2, 2000, TD Bank acquired all of the outstanding common shares of CT Financial Services Inc. (the "Merger") and the Merger has resulted in TD Bank acquiring control of CTIMG.

2. Securities regulatory approval as contemplated by section 5.5 of National Instrument 81-102 was granted on January 26, 2000 in respect of the change of control of the manager of the CT Funds due to the Merger. This approval was granted subject to the condition that a notice discussing the Merger be mailed to all existing unitholders of the CT Funds, together with the annual financial statements, and that the notice be provided along with the CT Disclosure Documents to new investors, until such time as the CT Disclosure Documents includes the same information as is in the notice.

3. TDAM and CTIMG are currently considering the integration and restructuring of a number of the Green Line Funds and CT Funds (the "Fund Reorganization") and it is currently anticipated that the Fund Reorganization will not be completed until October of this year.

4. TDAM and CTIMG will comply with the requirements in connection with the occurrence of a significant change (as defined in National Instrument 81-102 Mutual Funds) with respect to changes in the operation and administration of the CT Funds and Green Line Funds.

5. The lapse date extensions will provide TDAM and CTIMG with the additional time which they require to adequately consider and finalize the Fund Reorganization before renewing the TD Disclosure Documents and CT Disclosure Documents (collectively, the "Disclosure Documents").

6. If the lapse date extensions are not granted the Funds will have to bear the additional costs associated with making two significant filings within a relatively short period of time as many of the Funds will be required to file new Disclosure Documents after the Fund Reorganization is completed.

7. Extending the lapse dates of the Funds would align the lapse dates of each of the Disclosure Documents which would allow unitholders of all of the Funds to benefit from the reduced costs attributable to the economies of scale that should result from the simultaneous renewal of all Funds.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the time periods prescribed by the Legislation for filing the Renewal Prospectus of each Fund be extended to the time periods that would be applicable if the Lapse Date for the distribution of the units of each Fund under the TD Disclosure Documents and the CT Disclosure Documents were October 30, 2000.

May 16th, 2000.

"Rebecca Cowdery"

2.1.3 Gwil Industries Inc. - MRRS Decision

Headnote

Mutual Reliance Review System - Issuer deemed to have ceased to be a reporting issuer.

Applicable Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF GWIL INDUSTRIES INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario and Québec (the "Jurisdictions") has received an application from Gwil Industries Inc. ("Gwil") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Gwil be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation;

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

AND WHEREAS Gwil has represented to the Decision Makers that:

1. Gwil was incorporated under the laws of British Columbia under the *Company Act* (British Columbia);

2. Gwil is a reporting issuer, or its equivalent, in each of the Jurisdictions and is not in default of any requirement of the Legislation;

3. under an Arrangement under the *Company Act* (British Columbia) between Gwil and its shareholders and GII Acquisition Corp. ("GII"), all of the outstanding securities of Gwil, being the Common Shares of Gwil, (other than those held by certain senior officers of Gwil, directly and/or through their holding companies, or by dissenting shareholders) were acquired by GII or exchanged for redeemable Preferred Shares which were redeemed;

4. subsequent to the Arrangement taking effect, by a special resolution of Gwil's shareholders, the designation of the Common Shares of Gwil acquired by GII was changed to Retractable Preferred Shares, and these shares were redeemed;

5. all of the issued and outstanding securities of Gwil are owned by H.A. Magee Holdings Ltd. and Hugh A. Magee;

6. H.A. Magee Holdings Ltd. is 100% beneficially owned by a senior officer of Gwil;

7. no securities of Gwil are listed or quoted on any stock exchange or organized market; and

8. Gwil does not intend to make an offering of its securities to the public;

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

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

THE DECISION of the Decision Makers under the Legislation is that Gwil is deemed to have ceased to be a reporting issuer, or its equivalent, under the Legislation.

May 2nd, 2000.

"Margaret Sheehy"

2.1.4 Manufacturers Life Insurance Company - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications
-relief from continuous disclosure requirements afforded to insurance company subsidiary subject to certain conditions including the fact that holding company parent complies therewith and has no assets or liabilities (other than its holding of voting securities of subsidiary) which are of more than nominal value having regard to the total consolidated assets of the holding company.
- waiver of the requirement that the insurance company subsidiary file an AIF to participate in the POP system if holding company files an AIF and no assets or liabilities (other than its holding of voting securities of subsidiary) which are of more than nominal value having regard to the total consolidated assets of the holding company.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am.- sections 80(b)(iii),75, 77, 78, 81(2) .

Policies Cited

National Policy Statement No. 47.

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

AND

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

AND

IN THE MATTER OF THE MANUFACTURERS LIFE INSURANCE COMPANY

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Newfoundland, and Quebec (the "Jurisdictions") has received an application (the "Application") from The Manufacturers Life Insurance Company ("Manufacturers Life");

A. for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

   (i) the requirements contained in the Legislation to disclose material changes, to file annual and interim financial statements and to file an annual report in circumstances where management is not required to send an information circular

(collectively, the "Continuous Disclosure Requirements") shall not apply to Manufacturers Life; and

(ii) pursuant to National Policy Statement No. 47 and sections 18, 84 and 85 of the *Quebec Securities Act*, as the case may be (collectively, the "Rules"), that the filing of an annual information form ("AIF") under the Rules by Manulife Financial Corporation ("Holdco") shall satisfy the requirement that Manufacturers Life file an AIF under the Rules.

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 Manufacturers Life has represented to the Decision Makers that:

1. Manufacturers Life was incorporated on June 23, 1887, by a Special Act of Parliament of the Dominion of Canada. Pursuant to the provisions of the then *Canadian and British Insurance Companies Act* (Canada), the predecessor legislation to the *Insurance Companies Act* (Canada) ("ICA"), Manufacturers Life undertook a plan of mutualization and became a mutual life insurance company on December 19, 1968. On September 23, 1999 Manufacturers Life demutualized (the "Demutualization") pursuant to letters patent of conversion issued by the Minister of Finance.

2. Manufacturers Life's head office is located in Ontario. Manufacturers Life is regulated by the Superintendent of Financial Institutions (Canada) and it is licenced under the insurance legislation of each province and territory of Canada. Manufacturers Life is a reporting issuer or the equivalent under the Legislation and is not in default of any of the requirements of the Legislation.

3. Pursuant to the Demutualization Holdco became the holder of all of the issued and outstanding shares of Manufacturers Life.

4. Holdco was incorporated under the ICA on April 26. On September 23, 1999, in connection with the Demutualization, Holdco became the sole shareholder of Manufacturers Life and certain holders of participating life insurance policies of Manufacturers Life became shareholders of Holdco. On September 24, 1999 Holdco filed a final prospectus in connection with an initial treasury and secondary offering conducted in Canada and the United States. Holdco is a publicly traded company whose Common Shares are listed on The Toronto Stock Exchange, The New York Stock Exchange, The Stock Exchange of Hong Kong Limited and the Philippine Stock Exchange. The authorized share capital of Holdco consists of Class A Shares, issuable in series, Class B Shares, issuable in series, and Common Shares of which approximately 500,903,225 Common Shares were issued and outstanding as of September 30, 1999.

5. Holdco is a reporting issuer or the equivalent. To the best of its knowledge, information and belief, Holdco is not in default of any of the requirements of the Legislation.

6. Holdco has no assets or liabilities (other than its beneficial holding of all of the outstanding voting securities of Manufacturers Life) of more than nominal value having regard to the total consolidated assets of Holdco. Holdco conducts its operations through Manufacturers Life and Manufacturers Life's branches and subsidiaries.

AND WHEREAS under to the System this MRRS Document evidences the decision of the 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:

1. the Continuous Disclosure Requirements shall not apply to Manufacturers Life provided that:

   (a) Holdco continues to be a publicly-traded share company and a reporting issuer or the equivalent, if applicable, in each of the Jurisdictions;

   (b) Holdco complies with the Continuous Disclosure Requirements;

   (c) Holdco continues to have no assets or liabilities (other than its direct or indirect beneficial holding of all of the outstanding voting securities of Manufacturers Life) of more than nominal value having regard to the total consolidated assets of Holdco ; and

   (d) Manufacturers Life complies with the requirements of the Legislation in respect of making public disclosure of material information on a timely basis in respect of material changes in the affairs of Manufacturers Life that are not material changes in the affairs of Holdco.

May 19th, 2000.

"Howard I. Wetston" "J. F. Howard"

THE FURTHER DECISION of the Decision Makers pursuant to the Legislation is that, subject to Holdco having filed an Initial AIF or Renewal AIF under the Rules, the requirement that Manufacturers Life have filed an AIF under the Rules is waived, provided that Holdco has no assets or liabilities (other than its direct or indirect beneficial holding of all of the outstanding voting securities of Manufacturers Life) of more than nominal value having regard to the total consolidated assets of Holdco.

May 19th, 2000.

"Iva Vranic"

2.1.5 Milltronics Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer deemed to have ceased to be a reporting issuer - All of the issuer's issued and outstanding securities are held by one holder.

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, BRITISH COLUMBIA,
NEWFOUNDLAND, 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
MILLTRONICS LTD. - MILLTRONICS LTÉE.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland (collectively, the "Jurisdictions") has received an application from Milltronics Ltd. - Milltronics Ltée. ("Milltronics") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Milltronics cease to be a reporting issuer or the equivalent thereof under the Legislation;

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

AND WHEREAS Milltronics has represented to the Decision Makers that:

1. Milltronics was amalgamated on October 30, 1998 under the laws of Canada;

2. The head office of Milltronics is in Ontario;

3. Milltronics is a reporting issuer, or the equivalent thereof, under the Legislation;

4. Milltronics is not in default of any requirement under the Legislation;

5. As a result of a take-over bid by Siemens Canada Acquisition (2000) Inc. for all of the issued and

outstanding common shares of Milltronics, and a subsequent compulsory acquisition procedure, Siemens Canada Acquisition (2000) Inc. ("SCA") became the holder of all of the issued and outstanding common shares of Milltronics on April 2, 2000.

6. The common shares of Milltronics were delisted from The Toronto Stock Exchange on April 11, 2000.

7. Milltronics has no securities outstanding other than common shares of Milltronics, all of which are held by SCA.

8. SCA is a wholly-owned subsidiary of Seimens Canada Limited.

AND WHEREAS under the System, this MRRS Decision Document evidences the Decision of each Decision Maker;

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

The Decision of the Decision Makers under the Legislation is that Milltronics is deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation.

May 17th, 2000.

"Margo Paul"
Manager, Corporate Finance

2.1.6 Nortel Networks Corporation et al. - MRRS Decision

Headnote

MRRS Application Pursuant to Section 144 - revoking and replacing Decision granting exemption from section 25 for certain employee trades - Prior Decision having granted registration exemption in respect of certain employee trades involving common shares of Nortel Networks - Following Arrangement, Nortel Networks shares being held by New Nortel - Replacement Decision granting registration exemption in respect of certain employee trades involving common shares of New Nortel.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss.25, 74(1), 144.

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

AND

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

AND

IN THE MATTER OF NORTEL NETWORKS CORPORATION, NORTEL NETWORKS LIMITED, NORTEL NETWORKS NA, INC. AND NORTEL NETWORKS CANADA CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Ontario and Nova Scotia (the "Jurisdictions") issued a decision (the "Previous Decision") dated April 28, 1999 under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), pursuant to applicable Canadian securities legislation (the "Legislation") in the Jurisdictions, that the requirement to be registered to trade in a security (the "Registration Requirement") contained in the Legislation shall not apply to certain trades in common shares of Nortel Networks Limited ("Nortel Networks", formerly Nortel Networks Corporation) to be made with or on behalf of employees of Nortel Networks Canada Corporation ("Nortel Canada") who were participants in the Bay Networks, Inc. 1994 Employee Stock Purchase Plan, the Nortel Networks NA, Inc. 1998 Employee Stock Purchase Plan, the Bay Networks 1994 Employee Stock Purchase Plan for Employees of Non-U.S. Affiliates of Bay Networks, Inc., or the Nortel Networks NA 1998 Employee Stock Purchase Plan for Employees of Non-U.S. Affiliates of Nortel Networks NA, Inc. (collectively the "Plans");

AND WHEREAS the Decision Maker in each of the Jurisdictions has received an application under the System

from Nortel Networks for a decision pursuant to the Legislation, that the Previous Decision be revoked and replaced and that the Registration Requirement shall not apply to certain trades in common shares of Nortel Networks Corporation (formerly New Nortel Inc.), to be made with or on behalf of employees of Nortel Networks or Nortel Canada who were participants in the Plans;

AND WHEREAS under the System, the Ontario Securities Commission is the principal regulator for this application;

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;

IT IS HEREBY DECIDED by the Decision Makers pursuant to the Legislation that the Previous Decision be revoked in its entirety as of the Effective Date (as defined below) and replaced with the following:

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

AND

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

AND

IN THE MATTER OF NORTEL NETWORKS CORPORATION, NORTEL NETWORKS LIMITED, NORTEL NETWORKS NA, INC. AND NORTEL NETWORKS CANADA CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Ontario and Nova Scotia (the "Jurisdictions") has received an application from Nortel Networks Limited ("Nortel Networks", formerly Nortel Networks Corporation) for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirement to be registered to trade in a security (the "Registration Requirement") contained in the Legislation shall not apply to certain trades in New Nortel Shares (as defined below) to be made with or on behalf of Participating Canadian Employees (as defined below) of Nortel Networks or Nortel Networks Canada Corporation ("Nortel Canada") who were participants in the Bay Networks, Inc. 1994 Employee Stock Purchase Plan (the "1994 U.S.A. Plan"), the Nortel Networks NA, Inc. 1998 Employee Stock Purchase Plan (the "1998 U.S.A. Plan") (collectively the "U.S.A. Plans"), the Bay Networks 1994 Employee Stock Purchase Plan for Employees of Non-U.S. Affiliates of Bay Networks, Inc. (the "1994 Non-U.S. Affiliates Plan"), or the Nortel Networks NA 1998 Employee Stock Purchase Plan for Employees of Non-U.S. Affiliates of Nortel Networks NA, Inc. (the "1998 Non-U.S. Affiliates Plan") (collectively the "Non-U.S. Affiliates Plans"; the U.S.A. Plans and the Non-U.S. Affiliates Plans being collectively referred to as the "Plans");

AND WHEREAS Nortel Networks has represented to the Decision Makers that:

1. Nortel Networks is incorporated under the laws of Canada.

2. Nortel Networks Corporation ("New Nortel", formerly New Nortel Inc.) is incorporated under the laws of Canada.

3. Nortel Networks is a reporting issuer under the securities legislation of each of the provinces and territories of Canada where such concept exists and, to the best of its knowledge, is not in default of any of the requirements of the Legislation. Nortel Networks is also subject to the reporting requirements of the *Securities Exchange Act of 1934*, as amended (the "1934 Act") of the United States of America (the "U.S.A.").

4. New Nortel is a reporting issuer under the securities legislation of each of the provinces and territories of Canada where such concept exists other than Newfoundland and, to the best of its knowledge, is not in default of any of the requirements of the Legislation.

5. The common shares of New Nortel (the "New Nortel Shares") are currently listed and posted for trading on The Toronto Stock Exchange (the "TSE") and the New York Stock Exchange, Inc. (the "NYSE").

6. Nortel Networks, BCE Inc. ("BCE"), New Nortel, 3056074 Canada Inc. and 3263207 Canada Inc. entered into an Amended and Restated Arrangement Agreement, made as of January 26, 2000, as amended and restated March 13, 2000, which provided for substantially all of the common shares of Nortel Networks owned directly and indirectly by BCE to be indirectly distributed to the holders of common shares of BCE on a tax-deferred basis by way of plan of arrangement under the *Canada Business Corporations Act* (the "Arrangement"). The Arrangement became effective on May 1, 2000 (the "Effective Date".)

7. As a result of the Arrangement (and certain related transactions), holders of common shares of BCE own shares in two companies: (1) New Nortel, which owns all of the outstanding common shares of Nortel Networks (the "Nortel Networks Shares"), including those previously owned, directly and indirectly, by BCE; and (2) BCE. Holders of Nortel Networks Shares, other than BCE and its affiliates, received New Nortel Shares in exchange for their Nortel Networks Shares on a one-for-one basis.

8. Under the terms of the Arrangement, any undertaking by Nortel Networks, or an affiliate of Nortel Networks,

that was outstanding on the Effective Date and that required Nortel Networks, or an affiliate of Nortel Networks, to deliver or sell Nortel Networks Shares at any time on or after the Effective Date became an undertaking to deliver or sell New Nortel Shares on a share-for-share basis. Similarly, any entitlement granted by Nortel Networks, or an affiliate of Nortel Networks, that was outstanding on the Effective Date and that allowed a person to receive or purchase Nortel Networks Shares at any time on or after the Effective Date became an entitlement to receive or purchase New Nortel Shares on a share-for-share basis.

9. Nortel Networks NA, Inc ("Nortel U.S.A.") is a corporation incorporated under the laws of the State of Delaware, U.S.A., is based in Santa Clara, California, U.S.A., and is a wholly-owned subsidiary of Nortel Networks.

10. Nortel Canada is a corporation incorporated under the laws of Canada and is an indirect wholly-owned subsidiary of Nortel U.S.A.

11. Nortel U.S.A. and its subsidiaries currently employ approximately 5,000 people world-wide. Prior to May 1, 2000, there were approximately 200 Nortel Canada employees resident in Canada. On or about May 1, 2000, all or substantially all of the employees of Nortel Canada became employees of Nortel Networks as a result of an internal reorganization.

12. In connection with the merger (the "Merger") in 1998 of Nortel U.S.A. and Northern Sub Inc., a wholly-owned U.S. subsidiary of Nortel Networks, Nortel Networks agreed to maintain or provide benefits comparable to various employee benefit plans of Nortel U.S.A., including employee stock purchase plans of Nortel U.S.A., for at least one year following the effective date of the Merger. In this connection, the U.S.A. Plans were amended to provide for employee purchases of Nortel Networks Shares instead of common shares of Nortel U.S.A.

13. Pursuant to a reorganization (the "Reorganization") in 1999 of the non-U.S. affiliates of Nortel U.S.A., the names of Nortel U.S.A. and Nortel Canada were changed to their current names and Nortel Canada adopted the Non-U.S. Affiliates Plans under which eligible employees of Nortel Canada could participate in lieu of the U.S.A. Plans.

14. Pursuant to the Arrangement, any undertaking under the 1998 U.S.A. Plan or the 1998 Non-U.S. Affiliates Plan to deliver or sell Nortel Networks Shares that was outstanding on the Effective Date became an undertaking to deliver or sell New Nortel Shares, on a share-for-share basis.

15. Similarly, pursuant to the Arrangement, any entitlement under the 1998 U.S.A. Plan or the 1998 Non-U.S. Affiliates Plan to receive or purchase Nortel Networks Shares that was outstanding on the Effective Date became an entitlement to receive or purchase New Nortel Shares, on a share-for-share basis. In this connection, the 1998 U.S.A. Plan and the 1998 Non-U.S. Affiliates Plan have been amended and restated to provide for employee purchases of New Nortel Shares instead of Nortel Networks Shares.

16. As a result of the Arrangement, the 1998 Non-U.S. Affiliates Plan provides for the possibility of purchases of New Nortel Shares by Participating Employees (as defined in paragraph 19) from treasury or on the open market; however, it is currently New Nortel's intention to operate the 1998 Non-U.S. Affiliates Plan solely as an open market plan.

17. The 1998 Non-U.S. Affiliates Plan permits eligible employees to purchase New Nortel Shares through a series of offerings each lasting for a period of 6 months (an "Offering Period"). A purchase date (a "Purchase Date") occurs under the 1998 Non-U.S. Affiliates Plan every 6 months. The most recent Purchase Date was May 1, 2000, and further purchases may be made under the 1998 Non-U.S. Affiliates Plan in accordance with this schedule.

18. No purchases of New Nortel Shares will be effected pursuant to the U.S.A. Plans or the 1994 Non-U.S. Affiliates Plan on behalf of current Participating Canadian Employees (as defined in paragraph 19). However, sales of New Nortel Shares may be effected on behalf of employees of Nortel Networks or Nortel Canada resident in Canada who were participants in the U.S.A. Plans or the Non-U.S. Affiliates Plans (each such person also a "Participating Canadian Employee", as further defined in paragraph 19) and who received New Nortel Shares under the Arrangement in exchange for the Nortel Networks Shares which such Participating Canadian Employees originally acquired pursuant to the U.S.A. Plans or the Non-U.S. Affiliates Plans.

19. All employees of any qualified "subsidiary corporation" (as such term is defined in section 424(f) of the Internal Revenue Code of 1986, as amended) of New Nortel whose customary employment is at least 20 hours per week and more than 5 months in any calendar year will be eligible to participate in the 1998 Non-U.S. Affiliates Plan (all such participating eligible employees, the "Participating Employees" and such participating eligible employees of Nortel Networks or Nortel Canada, the "Participating Canadian Employees"), unless prior to or as a result of such participation they would own, or hold options to purchase, shares of New Nortel possessing 5% or more of the total combined voting power or value of all classes of shares of New Nortel then outstanding.

20. Each Participating Employee is limited to purchasing a maximum of U.S.$25,000 worth (at fair market value) of New Nortel Shares under the 1998 Non-U.S. Affiliates Plan during each calendar year in which such Participating Employee participates in the 1998 Non-U.S. Affiliates Plan.

21. Participation in the 1998 Non-U.S. Affiliates Plan is entirely voluntary and employees of Nortel Networks or Nortel Canada will not be induced to participate in the 1998 Non-U.S. Affiliates Plan by expectation of employment or continued employment.

22. Under the 1998 Non-U.S. Affiliates Plan, an administrator (the "Administrator") is appointed by Nortel U.S.A. to assist in the administration of employee purchases under the 1998 Non-U.S. Affiliates Plan and, if desired by such employees, to sell New Nortel Shares acquired pursuant thereto (in addition to New Nortel Shares which a Participating Employee received under the Arrangement in exchange for the Nortel Networks Shares which such Participating Employee originally acquired under the U.S.A. Plans or the Non-U.S. Affiliates Plans). The Administrator opens and maintains individual securities accounts (an "Employee Account") for each Participating Employee in which Participating Employees may hold New Nortel Shares acquired under the 1998 Non-U.S. Affiliates Plan (in addition to New Nortel Shares which a Participating Employee received under the Arrangement in exchange for the Nortel Networks Shares which such Participating Employee originally acquired under the U.S.A. Plans or the Non-U.S. Affiliates Plans).

23. Under the 1998 Non-U.S. Affiliates Plan, a purchasing agent (the "Purchasing Agent"), is also appointed by Nortel U.S.A. Acting upon instructions from Nortel U.S.A., the Purchasing Agent purchases New Nortel Shares through the facilities of the NYSE or the TSE at prevailing market prices on behalf of Participating Employees on the trading day following each Purchase Date. If purchases of New Nortel Shares on behalf of Participating Canadian Employees occur through the facilities of the TSE and the Purchasing Agent is not appropriately registered under applicable Legislation to act as a dealer in respect of such trades, the Purchasing Agent will engage a dealer so registered.

24. The Administrator and the Purchasing Agent will each be licensed under applicable securities legislation in the U.S.A. to act as a broker dealer. At the discretion of Nortel U.S.A., the functions of the Purchasing Agent and the Administrator may be combined and performed by one entity. Presently, the Purchasing Agent and the Administrator is Salomon Smith Barney Inc., a U.S. registered broker dealer under the 1934 Act and a member of the NYSE.

25. Under the 1998 Non-U.S. Affiliates Plan, each Participating Canadian Employee, through the subscription agreement in their enrollment package, authorizes Nortel Canada or any successor employer to make payroll deductions of between 1% and 10% of the Participating Canadian Employee's base salary during the course of the applicable Offering Period, up to a maximum of the Canadian dollar equivalent of U.S.$5,040, or such other amount as the board of directors of Nortel U.S.A. may establish.

26. At the end of each Offering Period, Nortel Canada or any successor employer will transfer all payroll deductions (the "Employee Contributions") accumulated over the course of the Offering Period to Nortel U.S.A. The Employee Contributions may be converted into U.S. funds upon receipt by Nortel U.S.A.

27. Nortel U.S.A. will make a financial contribution towards the purchase of New Nortel Shares under the 1998 Non-U.S. Affiliates Plan. Nortel U.S.A. will instruct the Purchasing Agent to purchase the appropriate number of New Nortel Shares, as determined in accordance with the 1998 Non-U.S. Affiliates Plan, and transfer such funds together with the Employee Contributions to the Purchasing Agent.

28. Upon receipt of the funds from Nortel U.S.A., the Purchasing Agent will purchase New Nortel Shares either:

    (i) on the NYSE, or
    (ii) on the TSE, through a dealer that is appropriately registered under the Legislation to accept the purchase order and effect the purchase.

    The New Nortel Shares so purchased will be transferred by the Purchasing Agent to the Administrator who will, at the direction of Nortel U.S.A., allocate New Nortel Shares to the Employee Accounts of Participating Canadian Employees in proportion to their share of the Employee Contributions.

29. Each Participating Canadian Employee may, at any time, hold New Nortel Shares acquired pursuant to, or in connection with, a Plan in their Employee Account, withdraw such New Nortel Shares from their Employee Account, and, take delivery of such New Nortel Shares or transfer the New Nortel Shares to another dealer or custodian designated by the Participating Canadian Employee, or direct the Administrator, at any time, to sell, on their behalf, any or all of such New Nortel Shares then held by the Administrator on their behalf under the Plan.

30. Any sale of New Nortel Shares made by the Administrator on behalf of a Participating Canadian Employee pursuant to, or in connection with, a Plan will be effected through:

    (i) the facilities of a stock exchange outside of Canada on which the New Nortel Shares are then listed and posted for trading, in accordance with the rules of such exchange, or

    (ii) the facilities of a stock exchange in Canada on which the New Nortel Shares are then listed and posted for trading, through a dealer that is appropriately registered under the applicable Legislation to act as a dealer in respect of such sale.

31. Nortel U.S.A. will pay the Purchasing Agent for all commissions on purchases of New Nortel Shares made under the 1998 Non-U.S. Affiliates Plan. Commissions on sales of New Nortel Shares on behalf of a Participating Employee will be paid by the Participating Employee.

32. Nortel U.S.A. will attend to the day-to-day administration of the 1998 Non-U.S. Affiliates Plan, including mailing enrollment packages to Participating Canadian Employees and posting such information on an internet site of Nortel U.S.A.

33. There are Participating Canadian Employees resident in each of the Jurisdictions.

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 pursuant to the Legislation is that:

A. any trades made by Nortel U.S.A. or the Purchasing Agent with a Participating Canadian Employee, in connection with the purchase of New Nortel Shares, on behalf of the Participating Canadian Employee, as described above, shall not be subject to the Registration Requirement; and

B. any sales of New Nortel Shares, acquired pursuant to, or in connection with, a Plan and held on behalf of a Participating Canadian Employee under the Plan outside of Canada, that are made through the Administrator on behalf of the Participating Canadian Employee, as described above, shall not be subject to the Registration Requirement.

May 12th, 2000.

"J. A. Geller" "Morley P. Carscallen"

2.1.7 Primewest Energy Trust et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from the registration and prospectus requirements in respect of certain trades made in connection with an indirect take over bid by reporting issuer and its subsidiary where statutory exemptions not available for technical reasons due to use of exchangeable shares for tax reasons - continuous disclosure relief not necessary in Ontario as issuer of exchangeable shares would not become a reporting issuer in Ontario.

Applicable Ontario Provisions

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

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

AND

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

AND

IN THE MATTER OF PRIMEWEST ENERGY TRUST, PRIMEWEST ENERGY INC. AND PRIMEWEST RESOURCES LTD.

AND

IN THE MATTER OF VENATOR PETROLEUM COMPANY LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from PrimeWest Energy Trust ("PWT"), PrimeWest Energy Inc. ("PWE") and PrimeWest Resources Ltd. (the "Offeror", and collectively, the "Filer"), for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation:

1. to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and prospectus (the "Registration and Prospectus

Requirements") shall not apply to certain trades in securities to be made in connection with the offer (the "Offer") to purchase all of the issued and outstanding common shares (the "Venator Shares") of Venator Petroleum Company Ltd. ("Venator"), including any trades in connection with the use of applicable statutory compulsory acquisition provisions following the Offer pursuant to which the Offeror acquires Venator Shares (a "Subsequent Acquisition Transaction");

2. with respect to the Offeror in those Jurisdictions in which it becomes a reporting issuer, to issue a press release and file a report upon the occurrence of a material change, file interim financial statements and annual audited financial statements and deliver such statements to the securityholders of the Offeror, file an information circular or make an annual filing in lieu of filing an information circular (the "Continuous Disclosure Requirements"), shall not apply to the Offeror; and

3. in those Jurisdictions in which the Offeror becomes a reporting issuer, the requirement contained in the Legislation for an insider of a reporting issuer to file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer (the "Insider Reporting Requirements") shall not apply to any insider of the Offeror who is not also an insider of PWT;

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

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

1. Venator is a corporation organized and subsisting under the *Alberta Business Corporations Act* (the "ABCA");

2. Venator's principal business is the acquisition of interests in crude oil and natural gas rights and the exploration for, development, production and marketing of crude oil and natural gas;

3. Venator's principal executive offices are located in Calgary, Alberta;

4. the authorized capital of Venator consists of an unlimited number of Venator Shares and an unlimited number of preferred shares issuable in series; as of March 14, 2000, 6,284,216 Venator Shares were issued and outstanding and no preferred shares were issued and outstanding; as of March 14, 2000, an aggregate of 410,000 Venator Shares were issuable pursuant to the Venator Stock Option Plan;

5. the Venator Shares are fully participating voting shares and are listed on the Canadian Venture Exchange;

6. Venator is a reporting issuer under the Legislation of Alberta and British Columbia and is not in default of any of the requirements thereunder; Venator is not a reporting issuer in any other Jurisdiction;

7. PWT is an open-end investment trust established under the laws of Alberta pursuant to a Declaration of Trust dated August 2, 1996 with its head office located in Calgary, Alberta; The Trust Company of Bank of Montreal is the trustee of PWT;

8. PWT's most substantial asset is a royalty in certain petroleum and natural gas properties owned by PWE that entitles PWT to receive 99% of the net cash flow generated by those properties, after certain costs and deductions;

9. PWT is authorized to issue an unlimited number of transferable, redeemable trust units (the "PrimeWest Units"), of which there were 35,844,176 PrimeWest Units outstanding as at March 21, 2000;

10. PWT became a reporting issuer or the equivalent in each of the Jurisdictions upon obtaining a receipt for its prospectus dated October 3, 1996 and is not in default of the Legislation;

11. the PrimeWest Units are listed on The Toronto Stock Exchange (the "TSE");

12. the Offeror is a corporation organized and subsisting under the ABCA and is wholly owned by PWE; PWE is a wholly-owned subsidiary of PrimeWest Management Inc. ("PWM"); the board of directors of PWE is responsible for making significant decisions with respect to PWT, PWE and the Offeror; all of the voting shares of PWM are held by officers and/or directors of PWE; holders of PrimeWest Units are entitled to direct the manner in which PWM votes its shares in PWE;

13. the authorized capital of the Offeror consists of an unlimited number of common shares and, prior to the completion of the Offer, will be amended to create an unlimited number of exchangeable shares (the "Exchangeable Shares"); the principal rights, privileges, restrictions and conditions attached to the Exchangeable Shares are described in the take-over bid circular mailed to the holders of Venator Shares and options to acquire Venator Shares (the "Take-Over Bid Circular");

14. the Offeror will offer to acquire all of the issued and outstanding Venator Shares in exchange for 0.657 PrimeWest Units or, at the option of each holder of Venator Shares, 0.657 Exchangeable Shares;

15. each Exchangeable Share entitles the holder to:

    (a) receive one PrimeWest Unit,

(b) receive an additional number of PrimeWest Units calculated based on the amount of any intervening distribution in respect of the PrimeWest Units that is declared to be a return of capital; and

(c) receive dividends equivalent to that portion of any intervening distribution in respect of the PrimeWest Units that is declared to be income;

16. upon completion of the Offer and any Subsequent Acquisition Transaction, Venator will be wholly owned by the Offeror, and all former shareholders of Venator will hold either PrimeWest Units or Exchangeable Shares;

17. the Offer is conditional upon, among other things:

(a) there being validly deposited under the Offer and not withdrawn prior to the expiry of the Offer that number of Venator Shares which represents not less than 66 2/3% of the number of Venator Shares outstanding (on a fully diluted basis) as of the time the Offer expires; and

(b) all requisite regulatory approvals having been obtained;

18. each holder of Venator Shares and each holder of options to purchase Venator Shares will receive the Take-Over Bid Circular; the Take-Over Bid Circular will contain or incorporate by reference prospectus-level disclosure concerning the business and operations of PWT and a detailed description of the rights, privileges, obligations and restrictions respecting the Exchangeable Shares;

19. the Offeror will become a reporting issuer in certain of the Jurisdictions upon the filing of the Take-Over Bid Circular with the Decision Makers and, where applicable, the taking up and paying for the Venator Shares, in such Jurisdictions, and will be subject to the Continuous Disclosure Requirements and insiders of the Offeror will be subject to the Insider Reporting Requirements in these Jurisdictions;

20. pending completion of the Offer:

(a) the Offeror will have no material assets or liabilities, and all information material to the business of PWT (and relevant to persons considering an investment in PrimeWest Units or Exchangeable Shares) will be contained in the Take-Over Bid Circular and in continuous disclosure filings made by PWT under the Legislation; and

(b) PWT will be subject to Continuous Disclosure Requirements pursuant to the Legislation and the requirements of the TSE in respect of making public disclosure of material information on a timely basis;

21. following the completion of the Offer:

(a) the Offeror's principal assets will consist primarily of Venator Shares that are purchased by it under the Offer; by virtue of the attributes of the Exchangeable Shares and the rights established for the benefit of holders of Exchangeable Shares under a Support Agreement and an Exchange Trust Agreement, an investment in Exchangeable Shares will be, in effect (other than the fact that the holders of Exchangeable Shares will have no voting rights except those required by law), an investment in PrimeWest Units; and

(b) the Offeror will have no material liabilities and no material assets other than the assets constituted by the Venator Shares purchased by it under the Offer;

22. holders of Exchangeable Shares would not derive any material benefit from the Offeror being subject to the Continuous Disclosure Requirements;

23. PWT and PWE will agree in the Support Agreement to provide to holders of Exchangeable Shares the same documents and information (including, but not limited to, its annual report and all proxy solicitation materials) that it will provide to holders of PrimeWest Units under the Legislation, and to comply with the requirements of the Legislation and the TSE in respect of making public disclosure of material information on a timely basis;

24. the steps involved in the completion of the Offer, including any Subsequent Acquisition Transaction, and the creation and exercise of exchange rights attaching to the Exchangeable Shares, the redemption and retraction of Exchangeable Shares and certain other purchases of Exchangeable Shares in connection therewith and on the liquidation, dissolution or winding-up of the Offeror or PWT involve or may involve a number of trades and distributions of securities (collectively, the "Trades");

25. the Exchangeable Shares will be the economic equivalent of PrimeWest Units and will have the attributes more particularly described in the Take-Over Bid Circular;

26. holders of Venator Shares will make one investment decision when deciding whether to tender their Venator Shares to the Offer and when voting to approve any Subsequent Acquisition Transaction, and the subsequent trades of Exchangeable Shares will arise directly out of the collection of rights acquired by holders of Venator Shares who receive Exchangeable Shares in connection with the Offer;

27. if not for income tax considerations, holders of Venator Shares could have received PrimeWest Units directly without receiving Exchangeable Shares; the Exchangeable Shares will be issued to provide holders of Venator Shares with securities on a tax-deferred basis and to otherwise preserve the tax attributes applicable to holders of Venator Shares;

28. holders of Exchangeable Shares in essence (other than the fact that the holders of Exchangeable Shares will have no voting rights except those required by law) have a participatory interest in PWT rather than in the Offeror and, therefore, certain disclosure required to be provided in respect of the Offeror as a reporting issuer or the equivalent under the Legislation would not be meaningful to the holders of Exchangeable Shares;

29. the Take-Over Bid Circular will disclose that, in connection with the Offer, the Filer has applied for relief from the Registration and Prospectus Requirements, the Continuous Disclosure Requirements and the Insider Reporting Requirements;

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:

1. the Registration and Prospectus Requirements shall not apply to the Trades;

2. the first trade in Exchangeable Shares or PrimeWest Units, as the case may be, in a Jurisdiction is deemed to be a distribution under the Legislation of such Jurisdiction (the "Applicable Legislation") unless:

   (a) the issuer is a reporting issuer or equivalent under the Applicable Legislation or, in the case of the Offeror, if it is not a reporting issuer or the equivalent in a Jurisdiction, PWT has complied with the requirements under paragraph 2 below in that Jurisdiction;

   (b) if the seller is an insider of the issuer, other than a director or senior officer of the issuer, the seller has complied with the Insider Reporting Requirement and filed all personal information forms that are required to be filed under the Applicable Legislation as modified by this MRRS Decision Document;

   (c) if the seller is a director or senior officer of the issuer, the seller has complied with the Insider Reporting Requirement and filed all personal information forms that are required to be filed under the Applicable Legislation and the issuer has filed all records required to be filed under the Continuous Disclosure Requirements of the Applicable Legislation, as modified by this MRRS Decision Document;

   (d) no unusual effort is made to prepare the market or create a demand for the Exchangeable Shares;

   (e) no extraordinary commission or other consideration is paid in respect of the trade; and

   (f) the trade is not a distribution from the holdings of a person or company, or combination of persons and companies, acting in concert or by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of any voting securities of PWT to affect materially the control of PWT, and if a person or company or combination of persons and companies holds more than 20% of the voting rights attached to all outstanding voting securities of PWT, the person or company or combination of persons and companies is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of PWT (and for the purposes of this MRRS Decision Document, Exchangeable Shares shall be counted as voting shares of PWT); and

3. the Continuous Disclosure Requirements shall not apply to the Offeror and the Insider Reporting Requirements shall not apply to insiders of the Offeror in those Jurisdictions where it becomes a reporting issuer, provided that at the time that any such requirement would otherwise apply:

   (a) PWT is a reporting issuer under the Legislation of the Jurisdiction;

   (b) PWT shall concurrently send to all holders of Exchangeable Shares resident in the Jurisdictions all disclosure material furnished to holders of PrimeWest Units pursuant to the Continuous Disclosure Obligations, including, but not limited to, copies of its annual report and all proxy solicitation materials;

   (c) PWT shall comply with the requirements of the TSE (or such other principal stock exchange on which the PrimeWest Units are then listed) in respect of making public disclosure of material information on a timely basis and forthwith issues in the Jurisdictions and files with the Decision Maker any press release that discloses a material change in PWT's affairs;

(d) the Offeror shall provide each recipient or proposed recipient of Exchangeable Shares resident in the Jurisdictions with a statement that, as a consequence of this Decision, the Offeror and its insiders will be exempt from certain disclosure requirements applicable to reporting issuers and insiders, and specifying those requirements, the Offeror and its insiders have been exempted from and identifying the disclosure that will be made in substitution therefor;

(e) the Offeror shall issue a press release and file a report with the Decision Makers upon the occurrence of a material change in respect of the affairs of the Offeror that are not material changes in the affairs of PWT; and

(f) PWE shall remain the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Offeror.

April 19th, 2000.

"Margaret Sheehy"

2.1.8 Shiningbank Energy Income Fund and Raider Resources Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from requirement to offer identical consideration to all shareholders. The offeror will offer cash to shareholders resident outside Canada (the "Foreign Shareholders") instead of all units or cash and units. The Foreign Shareholders hold approximately 1.4% of the shares of the target company. Although the offeror is eligible to use the multi-jurisdictional disclosure system adopted by the United States, it would have comply with the *Investment Company Act* (United States) and with state laws if it were to issue units to the Foreign Shareholders. The units that the Foreign Shareholders are entitled to if the bid succeeds will be delivered to a depository which will sell them and deliver the proceeds to the Foreign Shareholders substantially simultaneously with the delivery to all other target shareholders of the consideration to which such shareholders are entitled to under the bid.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S. 5, as amended, section 97(1)

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

AND

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

AND

IN THE MATTER OF
SHININGBANK ENERGY INCOME FUND

AND

IN THE MATTER OF
RAIDER RESOURCES LTD.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec (the "Jurisdictions") has received an application from Shiningbank Energy Income Fund ("Shiningbank") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that in connection with a take-over bid made by Shiningbank (the "Take-over Bid") for all of the issued and outstanding common shares (the "Shares") of Raider Resources Ltd. (the "Target"), the requirement that all of the holders of securities that are of the same class

shall be offered identical consideration (the "Identical Consideration Requirement") shall not apply to Shiningbank with respect to consideration offered to certain security holders pursuant to the Take-over Bid;

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 Shiningbank has represented to the Decision Makers that:

3.1 Shiningbank is an open-ended investment trust organized under the laws of Alberta, whose head office and majority of assets are located in Alberta and whose trust units (the "Trust Units") are listed on The Toronto Stock Exchange (the "TSE");

3.2 the Target is a public company incorporated under the *Business Corporations Act* (Alberta) whose Shares are listed on the TSE and which is a reporting issuer for purposes of certain Canadian securities legislation;

3.3 Shiningbank is currently preparing a take-over bid circular with respect to the proposed Take-over Bid, which it intends to mail on or about May 10, 2000;

3.4 under the terms of the Take-over Bid, the price to be paid to holders of Shares is, at the election of each holder, 0.0831 of a Trust Unit for each Share (the "Trust Unit Consideration") or 0.0582 of a Trust Unit and $0.264 in cash for each Share (the "Mixed Consideration");

3.5 the Trust Units issuable under the Take-over Bid to shareholders of the Target resident in the United States (the "U.S. Shareholders") have not been and will not be registered under the *United States Securities Act of 1933*. Accordingly, the delivery of Trust Units to U.S. Shareholders without further action by Shiningbank may constitute a violation of the laws of the United States;

3.6 Shiningbank is eligible to use the multi-jurisdictional disclosure system ("MJDS") adopted by the United States. However, upon issuing Trust Units into the United States, Shiningbank would become subject to the United States *Investment Company Act* and would have to comply with its registration process and continuous disclosure requirements which would be overly burdensome to Shiningbank. In addition, Shiningbank would be subject to state laws;

3.7 the registered list of holders of the Shares dated May 1, 2000 indicates that U.S. Shareholders, as reflected on such list, hold approximately 1.3% of the Shares;

3.8 the Trust Units issuable under the Take-over Bid to shareholders of Target resident in jurisdictions other than Canada or the United States (the "Foreign Shareholders") have not been and will not be registered under the laws of such jurisdictions. Accordingly, the delivery of Trust Units to Foreign Shareholders without further action by Shiningbank may constitute a violation of the laws of such jurisdictions;

3.9 the registered list of holders of the Shares dated May 1, 2000 indicates that Foreign Shareholders, as reflected on such list, hold approximately 0.1% of the Shares;

3.10 to the extent that U.S. Shareholders and Foreign Shareholders receive Trust Units by electing either the Trust Unit Consideration or the Mixed Consideration in exchange for their Shares, Shiningbank proposes to deliver the Trust Units to Montreal Trust Company of Canada (the "Depositary"), who will then sell the Trust Units on behalf of the U.S. Shareholders and Foreign Shareholders and deliver to them their respective pro rata share of the proceeds of such sale, less commissions and applicable withholding taxes, substantially simultaneously with the delivery to all other Target shareholders of the consideration to which such shareholders are entitled under the Take-over Bid;

3.11 Shiningbank is a reporting issuer or the equivalent in each of the Jurisdictions and is not in default of the Legislation;

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 in the Jurisdictions pursuant to the Legislation is that, in connection with the Take-over Bid, the Identical Consideration Requirement shall not apply to Shiningbank with respect to consideration offered to U.S. Shareholders and Foreign Shareholders who accept the offer, provided that they receive, instead of Trust Units, the cash proceeds from the Depositary's sale of the Trust Units in accordance with the procedure set out in paragraph 3.10 above.

DATED at Calgary, Alberta this 12th day of May, 2000.

"Glenda A. Campbell",
Acting Chair

"Eric T. Spink",
Vice-Chair

2.1.9 Videon Cablesystems Inc., TD Securities Inc. and RBC Dominion Securities Inc. - MRRS Decision

Headnote

Relief from Section 224(1)(b) of the Regulation - Issuer is a connected issuer, but not a related issuer in respect of certain underwriters participating in a proposed securities distribution by the issuer - connected underwriters exempt from the regulatory requirement that an independent registrant underwrite a portion of the distribution equal to the portion to be underwritten by the connected underwriters.

Statutes Cited

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

Regulations Cited

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

Rules Cited

Draft Multi-Jurisdictional Instrument 33-105 Underwriting Conflicts

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

AND

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

AND

IN THE MATTER OF
VIDEON CABLESYSTEMS INC.

AND

IN THE MATTER OF
TD SECURITIES INC. AND
RBC DOMINION SECURITIES INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Ontario, Quebec and Newfoundland (the "Jurisdictions") has received an application from TD Securities Inc. ("TDSI") and RBC Dominion Securities Inc. ("RBCDS") (collectively, the "Filers") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation for an independent underwriter where an offering of securities of an issuer is otherwise being underwritten by underwriters in respect of which the issuer is a "connected issuer", or the equivalent (the "Independent Underwriter Requirement"), shall not apply to a proposed offering (the "Offering") of senior secured debentures (the "Debentures") by Videon Cablesystems Inc. (the "Issuer") to be made by means of a short form prospectus (the "Prospectus");

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

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

1. Moffat Communications Limited ("Moffat") is a corporation amalgamated under the *Canada Business Corporations Act* on August 31, 1979. The Issuer is a wholly-owned subsidiary of Moffat.

2. Moffat, directly and through its wholly-owned subsidiaries, provides broadcast television, cable, internet and telecommunications services in Canada, and cable and internet services in the United States. Cable and internet services are offered in Canada through the Issuer, which owns and operates cable television systems in Manitoba, Alberta and Northwestern Ontario. High-speed business telecom services are offered through Videon Fiberlink™ in the Canadian cities of Edmonton, Alberta and Winnipeg, Manitoba. In addition, Moffat owns a seventy-seven percent (77%) interest in Lifestyle Television (1994) Limited (also known as WTN™), a nationally distributed Canadian specialty programming service. Further, Moffat owns and operates CKY-TV, the CTV Television Network affiliate in the province of Manitoba.

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

4. The Filers are proposing to act as underwriters in connection with the Offering of the Debentures by way of Prospectus, which Debentures will be fully and unconditionally guaranteed by Moffat. The Offering is to be underwritten by a syndicate of four registrants (the "Underwriters"), which syndicate will include the Filers and possibly two other registrants (who have not yet been asked by the Issuer to participate in the syndicate).

5. The Issuer has obtained a rating of BBB from Canada Bond Rating Service and BBB (low) from Dominion Bond Rating Service Limited, each of which are approved ratings under the draft Multi-Jurisdictional Instrument 33-105 - Underwriting Conflicts ("Draft Instrument 33-105") .

6. The Issuer has an agreement with a syndicate of financial institutions, which include The Toronto-Dominion Bank and Royal Bank of Canada, for a committed revolving term facility of $400 million maturing August, 2005 (the "Bank Facility"). As at November 30, 1999, the Issuer had borrowings of approximately $364 million outstanding under the Bank Facility. In addition, the Issuer has an operating line of

credit of $20 million (to be increased to $40 million) with The Toronto Dominion Bank. As at November 30, 1999 the Issuer had drawn down approximately $7 million on its operating line of credit. The net proceeds of the Offering will be used to repay a portion of the indebtedness outstanding under the Bank Facility.

7. TDSI is a wholly-owned subsidiary of The Toronto-Dominion Bank. RBCDS is an indirect wholly-owned subsidiary of Royal Bank of Canada. The additional two registrants being considered for the underwriting syndicate are also wholly-owned subsidiaries of Canadian banks that are lenders under the Bank Facility.

8. In connection with the Offering and by virtue of the Bank Facility (i) the Issuer may be considered a "connected issuer" of the Filers (and the additional two registrants being considered for the underwriting syndicate), (ii) the Filers (and the additional two registrants being considered for underwriting syndicate) may not be considered to be "independent underwriters" as such terms are defined in the Legislation. The Issuer is not a "related issuer" as defined in Draft Instrument 33-105, of any of the Underwriters.

9. Since it is expected that the syndicate of Underwriters will contain other registrants to which the Issuer will be a connected issuer or that will not be independent underwriters, it is expected that the underwriting of the Offering by the Underwriters will not comply with such proportional requirements of the Independent Underwriter Requirement.

10. The Prospectus will contain the information required by Appendix C to Draft Instrument 33-105.

11. The Issuer is in good financial condition and is not a "specified party" as defined in Draft Instrument 33-105.

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

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

The Decision of the Decision Makers pursuant to the Legislation is that the Independent Underwriter Requirement shall not apply to the Offering.

April 14th, 2000.

"J. A. Geller" "Howard I. Wetston"

2.2 Orders

2.2.1 Carbite Golf Inc. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - issuer deemed to be a reporting issuer in Ontario - issuer has been a reporting issuer in British Columbia for more than 12 months - issuer's common shares listed and posted for trading on the Canadian Venture Exchange - continuous disclosure requirements of British Columbia substantially similar to those of Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.1(1)

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

AND

IN THE MATTER OF CARBITE GOLF INC.

ORDER (Subsection 83.1(1))

UPON the application of Carbite Golf Inc. ("Carbite") for an order pursuant to subsection 83.1(1) of the Act deeming Carbite 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 Carbite representing to the Commission as follows:

1 Carbite was incorporated under the laws of the Province of British Columbia on July 2, 1985 under the name "Quotron Data Incorporated", which changed its name to "QData System Incorporated" on May 16, 1986, to "Consolidated QData Systems Inc." on September 19, 1991, and to "Carbite Golf Inc." on January 4, 1996. Carbite is a valid and existing company under the *Company Act* (British Columbia).

2. Carbite has been a reporting issuer under the *Securities Act* (British Columbia) (the "B.C. Act") since June 24, 1986. Carbite is not in default of any requirements of the B.C. Act.

3. The continuous disclosure requirements of the B.C. Act are substantially the same as the requirements under the Act.

4. The continuous disclosure materials filed by Carbite under the B.C. Act since August 15, 1997 are available on the System for Electronic Document Analysis and Review.

5. Carbite is not a reporting issuer or public company under the securities legislation of any other jurisdiction in Canada.

6. The authorized share capital of Carbite consists of 50,000,000 common shares without par value (the "Common Shares"), of which, as of March 31, 2000, 22,426,486 of the Common Shares are issued and outstanding.

7. The Common Shares are listed on the Canadian Venture Exchange.

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

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

May 16th, 2000.

"Howard I. Wetston" "Robert W. Korthals"

2.2.2 Ethical North American Equity Fund and Ethical Global Equity Fund - ss. 59(1), Schedule 1, Regulation

Headnote

Exemption from the fees otherwise due under subsection 14(1) of Schedule 1 of the Regulation to the *Securities Act* (Ontario) on a distribution of units made by an 'underlying fund' directly (i) to a clone fund's counterparties for hedging purposes and (ii) on the reinvestment of distributions on such units.

Regulations Cited

Regulation made under the *Securities Act*, R.R.O. 1990, Reg. 1015, as am., Schedule 1, ss. 14(1), 14(4) and 59(1).

IN THE MATTER OF THE SECURITIES ACT R.S.O. 1990, c. S.5, as amended (the "Act")

AND

IN THE MATTER OF ETHICAL NORTH AMERICAN EQUITY FUND ETHICAL GLOBAL EQUITY FUND

ORDER
(Subsection 59(1) of Schedule 1 of the Regulation made under the Act (the "Regulation"))

UPON the application of Ethical Funds Inc. ("Ethical Funds"), the manager of Ethical North American Equity Fund and Ethical Global Equity Fund (collectively, the "Underlying Funds") and Ethical RSP North American Equity Fund and Ethical RSP Global Equity Fund (collectively, the "RSP Funds"), the Underlying Funds have applied to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 59(1) of Schedule 1 of the Regulation exempting the Underlying Funds from paying filing fees otherwise due under subsection 14(1) of the Regulation as they apply to the distribution in Ontario of units of the Underlying Funds to counterparties with whom the RSP Funds have entered into forward contracts and on the reinvestment of distributions on such units;

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

AND UPON Ethical Funds having represented to the Commission that:

1. Each of the Underlying Funds and the RSP Funds (collectively, the "Funds") is a reporting issuer as defined in the Act. None of the Funds is in default of any requirements of the Act, the Regulation or the rules of the Commission.

2. Ethical Funds is the manager of the Funds and is owned by the Credit Union Central of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Prince Edward Island, New Brunswick and Nova Scotia. Ethical Funds has its head office in British Columbia and manages the Funds in that province.

3. Units of the Funds are currently qualified for distribution in Ontario under simplified prospectuses and annual information forms filed with the Commission (the "Prospectuses").

4. As part of their investment strategy, the RSP Funds enter into forward contracts or other derivative instruments (the "Forward Contracts") with one or more financial institutions (the "Counterparties") to enable the RSP Funds to link their returns to the returns of an Underlying Fund.

5. Counterparties may hedge their obligations under the Forward Contracts by investing in units (the "Hedge Units") of the applicable Underlying Fund and may receive units of the Underlying Fund on the reinvestment of distributions. Accordingly, when an RSP Fund enters into a forward contract with Credit Union Central of Ontario or another Ontario-based counterparty and the counterparty invests in Hedge Units and receives a distribution from the Underlying Fund on the Hedge Units which is reinvested in additional units of the Underlying Fund, a distribution occurs in Ontario.

6. Applicable securities regulatory approvals for the Fund on Fund Investments and the RSP Funds' investment strategies have been obtained.

7. Annually, each of the RSP Funds will be required to pay filing fees to the Commission in respect of the distribution of its units in Ontario pursuant to Section 14 of Schedule 1 of the Regulation and will similarly be required to pay fees based on the distribution of its units in other relevant Canadian jurisdictions pursuant to applicable securities legislation in each of those jurisdictions.

8. Annually, each of the Underlying Funds will be required to pay filing fees in respect of the distribution of its units in Ontario, pursuant to section 14 of Schedule 1 of the Regulation and will similarly be required to pay fees based on the distribution of its units in other relevant Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions.

9. A duplication of filing fees pursuant to Section 14 of Schedule 1 of the Regulation may result in Ontario when (a) Hedge Units are distributed and (b) a distribution is paid by an Underlying Fund on the Hedge Units which is reinvested in additional units of the Underlying Fund ("Reinvested Units").

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

IT IS ORDERED by the Commission pursuant to subsection 59(1) of Schedule 1 of the Regulation that the Underlying Funds are exempt from the payment of duplicate filing fees on an annual basis pursuant to section 14 of Schedule 1 of the Regulation in respect of the distribution of Hedge Units to Counterparties and the distribution of Reinvested Units, provided that each Underlying Fund shall include in its notice filed under subsection 14(4) of Schedule 1 of the Regulation a statement of the aggregate gross

proceeds realized in Ontario as a result of the issuance by the Underlying Funds of (1) Hedge Units and (2) Reinvested Units; together with a calculation of the fees that would have been payable in the absence of this order.

May 16th, 2000.

"Howard I. Wetston" "Robert W. Korthals"

2.2.3 Intrawest Corporation - s. 144

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

AND

IN THE MATTER OF INTRAWEST CORPORATION

ORDER
(Section 144)

UPON the application (the "Application") of Intrawest Corporation (the "Applicant") to the Ontario Securities Commission (the "Commission") for an Order, pursuant to section 144 of the Act, varying a ruling under subsection 74(1) of the Act made by the Commission on May 7, 1999, entitled *In the Matter of Intrawest Corporation* (the "Ruling"), which provided that the distribution of condominium units (the "Condohotel Units") within certain condohotels (the "Condohotels") that are to be built by the Applicant on land known as the "Village Core" (the "Village Core Lands") that is located next to Blue Mountain Resort (the "Resort") near Collingwood, Ontario, is exempt from sections 25 and 53 of the Act;

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

AND UPON the Applicant having represented to the Commission that since the Ruling certain representations contained in the Ruling have become inaccurate:

(a) Paragraph 4 of the Ruling implies that the common facilities of a Condohotel may include a check-in facility, however it is now evident that the common facilities of a Condohotel will not include a check-in facility;

(b) Zoning By-Law 1983-40, as described in paragraphs 9 and 10 of the Ruling, has been amended by Zoning By-Law 99-71 of the Corporation of the Town of the Blue Mountains;

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

IT IS ORDERED pursuant to section 144 of the Act that the Ruling be varied to:

(i) strike paragraphs 9 and 10 of the Ruling and replace them with the following:

9. The Village Core Project is subject to a comprehensive scheme of land use regulation pursuant to Zoning By-Law 1983-40, as amended by Zoning By-Law 99-71 (the "By-Law"), which establishes certain criteria that must be met by multi-unit developments, such as a Condohotel, that are to be established on the Village Core Lands.

10. For purposes of the By-Law, a Condohotel will be structured and operated as a "Village Commercial Resort Unit" which is defined by the By-Law to mean one room or a group of rooms forming a single commercial accommodation unit within a Village Commercial Resort Unit Complex in which:

    (a) culinary and sanitary facilities are provided for the exclusive use of the unit; and

    (b) access to the unit is provided by a private entrance from a common hallway inside the building; and

    (c) is not used or designated as a principal residence;

    but does not mean or include a residential dwelling unit, hotel unit, a motel unit, an inn unit, a lodge unit, a dormitory unit, a hostel unit, or any other use defined in the By-Law. The term "Village Commercial Resort Unit Complex" is defined as a building or group of buildings containing ten or more Village Commercial Resort Units which:

    (i) is serviced by a central lobby facility; and

    (ii) is part of a rental or lease management program, including housekeeping services, with a minimum of 80% of the Village Commercial Resort Units restricted to occupancy by any one individual person for one or more periods of time not to cumulatively exceed a total of 120 days per year; and

    (iii) the remaining 20% may be exempt from the 120 day per year occupancy limitation; and

    (iv) contain accessory recreational and/or commercial uses; and

    (v) the maximum number of Village Commercial Resort Units that may be exempted under subsection (iii) above shall be 256;

(ii) strike paragraph 11 of the Ruling and replace it with the following:

    11. Every owner of a Condohotel Unit will be required to enter into either a rental management agreement (the "Rental Management Agreement") or rental pooling agreement (the "Rental Pooling Agreement") with either BMRL, the Applicant, or a qualified third party, in order to (i) permit the establishment and operation of a Condohotel rental or lease arrangement program (the "Rental Program") either by way of a rental management arrangement or a rental pooling arrangement; and (ii) ensure that the terms of this Order are complied with. If the Rental Program is designed as a rental management arrangement, each owner of a Condohotel Unit will be required to enter into a Rental Management Agreement with either BMRL, the Applicant or a qualified third party, as the case may be (the "Unit Manager"). If the Rental Program is designed as a rental pooling arrangement, each owner of a Condohotel Unit will be required to enter into a Rental Pooling Agreement with either BMRL, the Applicant or a qualified third party, as the case may be (the "Rental Pool Manager"). While all owners of Condohotel Units must enter into either a Rental Management Agreement or Rental Pooling Agreement, up to 20% of such owners may be permitted, on a first-come first-served basis, to opt out of participation in the Rental Program for periods of one or more years so long as at least 80% of owners of Condohotel Units continue to participate in the Rental Program ("Rental Program Participants"). Owners of Condohotel Units who have opted out of the Rental Program may subsequently become Rental Program Participants by opting into the Rental Program in accordance with the terms thereof;

(iii) strike paragraph 12 of the Ruling and replace it with the following:

    12. A Rental Management Agreement would require the Unit Manager so retained by a Rental Program Participant to generate revenue for the Rental Program Participant by renting the Rental Program Participant's Condohotel Unit to third parties and generally maintaining the Condohotel Unit for such purpose.

(iv) strike paragraph 13 of the Ruling and replace it with the following:

    13. A Rental Pooling Agreement would require a Rental Program Participant to participate in an arrangement whereby revenues derived from, and/or expenses relating to, the rental of the Rental Program Participant's Condohotel Unit by the Rental Program Manager would be pooled with revenues derived from, and/or expenses relating to, the rental of

all other Condohotel Units located in the same Condohotel that are owned by Rental Program Participants and all such pooled revenues and expenses would be shared by such Rental Program Participants in accordance with their proportionate interests in the Condohotel (a "Rental Pool").

(v) amend paragraph 15 by adding the words "or within a group of Condohotels that is serviced by a common check-in facility" to the end of the paragraph;

(vi) amend paragraph 16 of the Ruling by replacing the words "Owners of a Condohotel Unit" at the beginning of the paragraph with the words "Rental Pool Participants";

(vii) amend paragraph 19 of the Ruling by replacing the words "Condohotel Units", in the first line of the paragraph, with the words "a Condohotel Unit,"; and

(viii) strike paragraph 25 of the Ruling and replace it with the following:

25. A Rental Management Agreement will impose an irrevocable obligation on the Applicant or the Unit Manager to send each Rental Program Participant quarterly statements of revenues and expenses for his, her or its Condohotel Unit on or before the 60th day after the date to which they are made up.

May 19th, 2000.

"Howard I. Wetson" "R. Stephen Paddon"

2.2.4 Borell Limited Partnership - s. 144 and ss. 74(1)

Headnote

Section 144 - variation of ruling previously granted in respect of relief from prospectus and registration requirements of the Act to permit issuance of units in limited partnership to certain partners of the law firm or to their respective qualified spouses or qualified family trusts - limited partnership providing services to law firm - Variation in ruling becoming necessary due to merger of law firm and other changes to investment arrangements.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 35(1)(19), 53, 74(1) and 144.

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

AND

IN THE MATTER OF BORELL LIMITED PARTNERSHIP

ORDER AND RULING (Section 144 and Subsection 74(1))

UPON the application of Borell Limited Partnership ("Borell") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 144 of the Act and a Ruling pursuant to Subsection 74(1) of the Act revoking and replacing a ruling made by the Commission pursuant to subsection 74(1) of the Act on January 21, 1997 and entitled *In the Matter of Borell Limited Partnership* (the "Original Ruling");

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

AND UPON Borell representing that certain facts set out in the recitals to the Original Ruling have changed;

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

IT IS ORDERED pursuant to section 144 of the Act that the Original Ruling be revoked and it is ruled, pursuant to subsection 74(1) of the Act, that the following be substituted therefor:

"RULING (Subsection 74(1))

UPON the application of Borell Limited Partnership (the "Partnership") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 74(1) of the Act that the issuance by the Partnership of limited partnership units (the "Units") to

(a) each eligible partner, each eligible counsel and each eligible senior manager (each such eligible partner, eligible counsel or eligible senior manager being referred to herein as an "Eligible Partner") of Borden Ladner Gervais LLP ("Borden"),

(b) the "Qualified Spouse" (as defined in paragraph 6 below) of each Eligible Partner, or

(c) a trust (the "Qualified Trust") that is or has been established for the benefit of members of each Eligible Partner's family as specified in paragraph 7 below and satisfies the requirements of paragraphs 8 and 9 below,

is exempt from sections 25 and 53 of the Act;

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

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

1. The Partnership is a limited partnership established under the laws of Ontario on December 10, 1996. The primary purpose of the Partnership is to provide secretarial, accounting, administrative, financial and other services to the Toronto office of Borden, pursuant to a services agreement entered into between the Partnership and Borden.

2. The Partnership is not a reporting issuer in Ontario or in any other province or territory of Canada, and has no present intention of becoming a reporting issuer in Ontario.

3. The general partner of the Partnership is Borell Management Inc. (the "General Partner"), a corporation incorporated under the *Business Corporations Act* (Ontario) whose sole beneficial shareholder is Borden.

4. Borden is a partnership of lawyers established under the laws of Ontario, with offices in Toronto, Montreal, Ottawa, Calgary and Vancouver. Eligible Partners must work out of the Toronto office of Borden. Borden presently has approximately 105 Eligible Partners.

5. The Partnership proposes to issue one Unit at $1000 per Unit, only to each Eligible Partner or to his or her Qualified Spouse or Qualified Trust (singularly, a "Unitholder" and, collectively, the "Unitholders"), pursuant to a subscription agreement that, among other things, discloses the risks associated with investing in the Units.

6. A Qualified Spouse is defined in the Limited Partnership Agreement relating to the Partnership as a person who cohabits with an Eligible Partner and

   (a) is the husband or wife of the Eligible Partner; or

   (b) has lived together with the Eligible Partner in a relationship akin to a conjugal relationship for a period of not less than two years.

7. An Eligible Partner's Qualified Trust will at all times hold the Units solely for the benefit of one or more of:

   (a) the Eligible Partner,
   (b) the Qualified Spouse of the Eligible Partner,
   (c) the living issue of the Eligible Partner or his or her Qualified Spouse,
   (d) the parents of the Eligible Partner or his or her Qualified Spouse,
   (e) the grandparents of the Eligible Partner or his or her Qualified Spouse,
   (f) the siblings of the Eligible Partner or his or her Qualified Spouse, and
   (g) the nephews and nieces of the Eligible Partner or his or her Qualified Spouse,

   provided that, if the person referred to in paragraph (b) above subsequently ceases to be a Qualified Spouse, the Qualified Trust will be permitted to continue to hold the Units for the benefit of such person and/or all or any of those who initially became beneficiaries by reason of their relationship to such person.

8. No beneficiary of an Eligible Partner's Qualified Trust will directly or indirectly contribute money or other assets to the Qualified Trust in order to finance the subscription for Units, or will be liable for any loan or other forms of financing obtained by the Qualified Trust for that purpose. No beneficiary of the Qualified Trust, other than the Eligible Partner and any other beneficiary of the Qualified Trust who is also a trustee, will be involved in the making of any investment decision of the Qualified Trust.

9. The trustee of an Eligible Partner's Qualified Trust will be either the Eligible Partner or his or her Qualified Spouse. If an Eligible Partner's Qualified Trust has two or more trustees,

   (a) the Eligible Partner or his or her Qualified Spouse, or both, will constitute at least 50% of the Trustees; or

   (b) at least one trustee will be either the Eligible Partner or his or her Qualified Spouse, in which case the unanimous vote of the trustees will be required for decisions of the Qualified Trust.

10. The investment decision of an Eligible Partner's Qualified Spouse or Qualified Trust to subscribe for Units will be made with the advice of the Eligible Partner.

11. The Eligible Partner will not be induced to subscribe for Units by expectation of employment or continued employment.

12. Neither the Qualified Spouse nor the Qualified Trust of an Eligible Partner will be induced to subscribe for Units by expectation of employment or continued employment of the Eligible Partner.

13. The Units are not transferable to persons or companies outside the Partnership or among Unitholders except that, with the consent of the General Partner, Units may

be transferred among an Eligible Partner and his or her Qualified Spouse and Qualified Trust.

14. The Units may, at the discretion of the General Partner, be redeemed by the Partnership at a redemption price equal to the lesser of

    (a) the book value of such Units as at the beginning of the fiscal year in which the redemption occurs, and

    (b) the fair market value of the Units as at a date specified in the notice of redemption, which will be no earlier than 30 days prior to the date of redemption.

15. The Partnership will automatically redeem

    (a) the Units held by an Eligible Partner or by his or her Qualified Spouse or Qualified Trust, if such Eligible Partner subsequently ceases to be an Eligible Partner of Borden, and

    (b) the Units held by a Qualified Spouse or Qualified Trust, if such Unitholder subsequently ceases to be a Qualified Spouse or Qualified Trust,

    at the redemption price referred to in paragraph 14.

16. Each Unitholder will be provided with audited annual financial statements of the Partnership on or before the expiry of 90 days following the Partnership's financial year-end.

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

IT IS RULED pursuant to subsection 74(1) of the Act that the issuance of Units to the Eligible Partners or their respective Qualified Spouses or Qualified Trusts is exempt from sections 25 and 53 of the Act, provided that:

(a) the Units are not transferable except in the circumstances described in paragraph 13 above;

(b) prior to the issuance of units to an Eligible Partner or to his or her Qualified Spouse or Qualified Trust (the "Subscriber"), the Partnership

    (i) delivers a copy of this ruling to the Subscriber, and

    (ii) obtains a written statement from the Subscriber acknowledging receipt of a copy of this ruling and of the Subscriber's understanding that the protections of the Act, including the right to rescission, to make claims for damages and to receive continuous disclosure, are not available to the Subscriber in respect of the Units."

May 2nd, 2000.

"J. A. Geller" "Morley P. Carscallen"

2.2.5 Working Ventures Canadian Fund Inc. - s. 144

Headnote

Section 144 - variation of ruling previously granted in respect of relief from registration and prospectus requirements of the Act in respect of certain trades to executives under stock option plan - Variation extending relief to include new class of shares.

Statute Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74(1) and 144.

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

AND

IN THE MATTER OF WORKING VENTURES CANADIAN FUND INC.

ORDER (Section 144)

WHEREAS the Ontario Securities Commission (the "Commission") issued a ruling dated February 4, 2000 (the "Ruling") pursuant to subsection 74(1) of the Act upon the application of Working Ventures Canadian Fund Inc. (the "Applicant");

AND WHEREAS the Ruling granted relief, subject to certain conditions, from sections 25 and 53 of the Act in respect of trades in Class A shares of the Applicant ("Class A Shares");

AND WHEREAS the Applicant has applied to the Commission for an order, pursuant to section 144 of the Act, varying the Ruling to make it applicable to the Class C shares of the Applicant ("Class C Shares") that the Applicant may authorize and issue;

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

AND UPON the Applicant representing to the Commission as follows:

1. The Applicant proposes to create and issue Class C Shares for issuance to participants in the stock option plan (the "Plan") of the Applicant, as a result of which the securities which may be issued to such participants may include any of the Class A Shares or Class C Shares and would not be limited to the securities referred to in the Ruling.

2. All of the representations of the Applicant contained in the Ruling continue to be true and correct in all material respects as of the date hereof.

3. Unless the Ruling is amended the relief granted pursuant thereto would not apply to the Class C Shares.

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Ruling is hereby varied so that options granted under the Plan may relate to the purchase of both Class C Shares and Class A Shares and that references to "Shares" in the operative portion of the Ruling shall now include the Class C Shares and Class A Shares, collectively.

May 12th, 2000.

"Howard I. Wetston" "J. F. Howard"

2.3 Rulings

2.3.1 Workflow Automation Corporation and BEA Systems, Inc. - ss. 74(1)

Headnote

Subsection 74 (1) - registration and prospectus relief granted in respect of trades in connection with an acquisition transaction in which exchangeable shares are issued where statutory exemptions are unavailable for technical reasons - first trade of securities of US public company issued on the exchange of exchangeable shares subject to section 72 (5) and section 2.18 (3) of Rule 45-501 unless such trade is made through the facilities of a stock exchange outside of Ontario or on The NASDAQ Stock Market since US public company is a non-reporting issuer and Ontario shareholders have a *de minimis* position.

Statutes Cited

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

Rules Cited

Rule 45-501 - Exempt Distributions.

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

AND

IN THE MATTER OF THE WORKFLOW AUTOMATION CORPORATION AND BEA SYSTEMS, INC.

RULING
(Subsection 74(l))

UPON application (the "Application") by The Workflow Automation Corporation ("Workflow" or the "Company"), BEA Systems, Inc. ("BEA"), a United States public company, BEA Systems (Nova Scotia) Company ("Exchangeco") and BEA Systems (Ontario) Inc. (the "Purchaser") (together with the Selling Shareholders, as defined below, collectively the "Applicants") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 74(1) of the Act that certain trades in securities made in connection with or resulting from the acquisition (the "Acquisition") by the Purchaser, an indirect subsidiary of BEA, of all of the issued and outstanding shares in the capital of Workflow are not subject to sections 25 and 53 of the Act;

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

AND UPON the Applicants having represented to the Commission that:

The Workflow Automation Corporation

1. Workflow was incorporated under the laws of Ontario on August 19, 1993. Workflow is a "private company" as defined in the Act, and is not a "reporting issuer" under the Act or under the securities legislation of any other jurisdiction.

2. Workflow's authorized capital consists of 100,000 common shares and 600,000 preference shares, of which 104 common shares were issued and outstanding at the date hereof (the "Workflow Common Shares").

3. Immediately prior to the Acquisition, all the outstanding Workflow Common Shares were owned by Barry M. Bernstein, P. Dawn Bernstein, Patricia Hall, Peter E.J. Hall, Abe Schwartz, Marta I. Schwartz and Joseph S. Dachuk (collectively, the "Selling Shareholders"); each of the Selling Shareholders is an individual resident in Ontario; as a result of the completion the Acquisition, all of the outstanding Workflow Common Shares are now owned by the Purchaser.

BEA Systems, Inc. and Subsidiaries

4. BEA was incorporated under the laws of the State of Delaware on January 20, 1995 and is not a "reporting issuer" under the Act or under any other Canadian securities legislation and has not become a reporting issuer under the Act as a result of the completion of the Acquisition.

5. The authorized capital of BEA consists of 285 million shares of common stock ("BEA Common Stock") and 5 million shares of preferred stock; as of February 29, 2000, there were 182,717,225 shares of BEA Common Stock outstanding.

6. BEA is subject to the requirements of the United States *Securities Exchange Act of 1934*, as amended.

7. The shares of BEA Common Stock are quoted on The Nasdaq Stock Market — National Market System ("The NASDAQ Stock Market").

8. The Purchaser has been incorporated under the laws of the Province of Ontario solely to effect the Acquisition; the Purchaser is a subsidiary of Exchangeco, which is a wholly-owned subsidiary of BEA.

Acquisition

9. BEA, the Purchaser, Workflow and the Selling Shareholders have entered into a share purchase agreement (the "Purchase Agreement") pursuant to which BEA and the Purchaser agreed to purchase from the Selling Shareholders all of the outstanding shares in the capital of Workflow in consideration for cash and shares issued by the Purchaser which are exchangeable for shares of BEA Common Stock on a one for one basis (the "Exchangeable Shares"); the Acquisition closed on March 21, 2000.

10. As a term of the Acquisition, a portion of the Exchangeable Shares (the "Escrow Shares") issued in satisfaction of the purchase price payable to the Selling Shareholders are being held in escrow and will be released on the 12 and 18 month anniversaries of the closing date of the Acquisition, subject to certain conditions (the "Escrow Shares"); references herein to shares of "BEA Common Stock" and "Exchangeable Shares" issued to the Selling Shareholders shall include, as applicable, the Escrow Shares.

11. The authorized capital of the Purchaser consists of an unlimited number of common shares, an unlimited number of Exchangeable Shares and 1,000 Preferred Shares; all the issued common shares of the Purchaser are owned by Exchangeco; and all the issued Exchangeable Shares are held by the Selling Shareholders; and all of the Preferred Shares are held by American counsel to BEA.

12. The Exchangeable Shares provide holders thereof ("Exchangeable Shareholders") with a security of a Canadian issuer having economic attributes which are, as nearly as practicable, equivalent to those of shares of BEA Common Stock.

13. Subject to certain adjustments applicable on the occurrence of certain anti-dilution events described below and compliance with applicable law, each Exchangeable Share will be retractable at any time by, and at the option of, the holder thereof for one share of BEA Common Stock; in the event of a subdivision, consolidation or other change in the capital of BEA affecting the shares of BEA Common Stock, a distribution of shares of BEA Common Stock to holders thereof by way of stock dividend, option, right or warrant, or any other distribution of securities, assets or indebtedness of BEA to holders of shares of BEA Common Stock in circumstances where the same or an economically equivalent change is not made to, or benefit conferred upon the holders of, the Exchangeable Shares, then, on the occurrence of each such event, the number of shares of BEA Common Stock exchangeable for each Exchangeable Share will be adjusted to ensure that the economic interests in BEA of the Exchangeable Shareholders will not be adversely affected by the occurrence of such event.

Exchangeable Share Provisions

14. The provisions of the Exchangeable Shares (the "Exchangeable Share Provisions") provide, inter alia:

    (a) Except as required by applicable law, holders of Exchangeable Shares shall not be entitled to receive notice of or vote at meetings of the shareholders of the Purchaser.

    (b) The Exchangeable Shares shall rank prior to the common shares and the Preferred Shares of the Purchaser with respect to the distribution of assets in the event of a liquidation, dissolution or winding-up of the Purchaser.

    (c) Each Exchangeable Share shall entitle the holder thereof to receive dividends from the Purchaser at the same time as, and in an amount equivalent to, dividends paid by BEA on each share of BEA Common Stock on the declaration date.

    (d) Subject to compliance with applicable law, the Exchangeable Share shall entitle the holder thereof to retract such Exchangeable Share and to receive an amount equal to the market price of one share of BEA Common Stock on the retraction date, which shall be satisfied by the Purchaser delivering one share of BEA Common Stock, together with an additional amount equal to the full amount of all declared and unpaid dividends on each retracted Exchangeable Share (collectively, the "Retraction Price"); notwithstanding the foregoing, upon being notified by the Purchaser of a proposed retraction by an Exchangeable Shareholder, Exchangeco will have an overriding call right (the "Retraction Call Right") to purchase from such Exchangeable Shareholder each Exchangeable Share proposed to be retracted at the Retraction Price.

    (e) Subject to the overriding call right of Exchangeco referred to below, the Purchaser may redeem the outstanding Exchangeable Shares on or after March 21, 2005 or earlier in the event of, among other things, a takeover offer for BEA or an extraordinary transaction involving BEA or the Purchaser (the "Automatic Redemption Date"); upon a redemption by the Purchaser on the Automatic Redemption Date, each Exchangeable Share shall entitle the holder thereof to receive from the Purchaser for each Exchangeable Share redeemed an amount equal to the market price of one share of BEA Common Stock on the Automatic Redemption Date, which amount will be satisfied by the Purchaser delivering to such Exchangeable Shareholder one share of BEA Common Stock, together with an additional amount equal to the full amount of all declared and unpaid dividends on each Exchangeable Share up to the Automatic Redemption Date (collectively, the "Redemption Price"); notwithstanding the foregoing, Exchangeco will have an overriding call right (the "Redemption Call Right") to purchase on the Automatic Redemption Date for the Redemption Price each Exchangeable Share proposed to be redeemed from such Exchangeable Shareholder.

    (f) Upon the liquidation, dissolution or winding-up of the Purchaser, each Exchangeable Share shall entitle the holder thereof to receive an amount equal to the market price of one share of BEA Common Stock on the liquidation date, which will be satisfied by the Purchaser delivering to such Exchangeable Shareholder one share of BEA Common Stock, together with an additional amount equal to the full amount of all declared

and unpaid dividends on each Exchangeable Share (collectively, the "Liquidation Price"); notwithstanding the foregoing, upon any proposed liquidation, dissolution or winding-up of the Purchaser, Exchangeco will have an overriding call right (the "Liquidation Call Right") to purchase for the Liquidation Price each Exchangeable Share to be redeemed from the Exchangeable Shareholders.

Support Agreement

15. At the closing of the Acquisition, the Purchaser, Exchangeco and BEA entered into a support agreement pursuant to which, inter alia, BEA has covenanted to ensure that:

    (a) The Purchaser (i) has sufficient assets available to pay simultaneous and equivalent dividends on the Exchangeable Shares, and (ii) simultaneously declares and pays such simultaneous and equivalent dividends on the Exchangeable Shares as are paid by BEA on the shares of BEA Common Stock.

    (b) The Purchaser fulfils its obligations in respect of the redemption and retraction rights and the dissolution entitlements upon liquidation that are attributes of the Exchangeable Shares.

    (c) Exchangeco fulfils its obligations in respect of its call rights.

Exchange Right Agreement

16. In addition, at the closing of the Acquisition, BEA, Exchangeco, the Purchaser and the Exchangeable Shareholders entered into an exchange agreement (the "Exchange Right Agreement") pursuant to which BEA granted to the Exchangeable Shareholders an optional exchange right (the "Optional Exchange Right"), that may be exercised upon the insolvency of the Purchaser or upon the failure of the Purchaser to perform certain of its obligations under the Exchange Share Provisions; the Optional Exchange Right, when exercised, will require BEA to purchase from an Exchangeable Shareholder all or any part of the Exchangeable Shares held by such Exchangeable Shareholder; the purchase price for each Exchangeable Share purchased by BEA under the Optional Exchange Right will be an amount equal to the market price of one share of BEA Common Stock on the trading day prior to the closing date of the purchase under the Optional Exchange Right, together with an additional amount equivalent to the full amount of all declared and unpaid dividends on each Exchangeable Share; this purchase price will be satisfied by BEA delivering to an Exchangeable Shareholder one share of BEA Common Stock for each Exchangeable Share held, together with an additional amount for declared and unpaid dividends.

17. Under the Exchange Right Agreement, the Exchangeable Shares will be automatically exchanged (the "Automatic Exchange Right") by BEA for shares of BEA Common Stock in the event of a voluntary or involuntary liquidation, dissolution or winding-up of BEA (an "Automatic Exchange Event"); in the event of an Automatic Exchange Event, each outstanding Exchangeable Share (except for those held by BEA or any of its affiliates) will be automatically exchanged for shares of BEA Common Stock prior to the effective date of the Automatic Exchange Event; the purchase price for each Exchangeable Share purchased by BEA pursuant to the Automatic Exchange Right will be an amount equal to the market price of one share of BEA Common Stock on the trading day prior to the closing date of the purchase under the Automatic Exchange Right, together with an additional amount equivalent to the full amount of all declared and unpaid dividends on each Exchangeable Share; this purchase price will be satisfied by BEA delivering to an Exchangeable Shareholder one share of BEA Common Stock for each Exchangeable Share held, together with an additional amount for declared and unpaid dividends.

Trades

18. The Acquisition gives rise to future trades and possible trades that would be subject to the registration and prospectus requirements of the Act and for which no exemptions are available under the Act, including the following (collectively, the "Trades"):

    (a) The transfer of shares of BEA Common Stock to the Exchangeable Shareholders by the Purchaser upon the retraction of the Exchangeable Shares by an Exchangeable Shareholder.

    (b) The issuance by BEA pursuant to the Support Agreement of shares of BEA Common Stock from time to time to the Purchaser (and the contemporaneous issuance of securities by the Purchaser to BEA for such BEA Common Stock) to enable to the Purchaser to fulfil its obligations under the Exchangeable Share Provisions, including among others, upon the retraction or redemption of the Exchangeable Shares.

    (c) The issuance by BEA pursuant to the Support Agreement of BEA Common Stock to Exchangeco from time to time (and the contemporaneous issuance of securities by Exchangeco to BEA as consideration for such BEA Common Stock) to enable Exchangeco to deliver BEA Common Stock to Exchangeable Shareholders in connection with the exercise by Exchangeco of the Retraction Call Right, Redemption Call Right and Liquidation Call Right.

    (d) The trade by Exchangeco of shares of BEA Common Stock to the Exchangeable Shareholders upon Exchangeco exercising the Retraction Call Right (instead of the retraction of Exchangeable Shares).

    (e) The transfer of shares of BEA Common Stock to the Exchangeable Shareholders by the Purchaser upon the redemption of

Exchangeable Shares by the Purchaser on the Automatic Redemption Date.

(f) The trade of shares of BEA Common Stock to the Exchangeable Shareholders by Exchangeco on the Automatic Redemption Date upon Exchangeco exercising the Redemption Call Right (instead of the redemption of the Exchangeable Shares on the Automatic Redemption Date).

(g) The trade of shares of BEA Common Stock to the Exchangeable Shareholders by Exchangeco upon Exchangeco exercising the Liquidation Call Right in connection with the winding-up of the Purchaser.

(h) The transfer of Exchangeable Shares to Exchangeco by the Exchangeable Shareholders upon the exercise by Exchangeco of the Retraction Call Right.

(i) The transfer of Exchangeable Shares to Exchangeco by the Exchangeable Shareholders upon Exchangeco exercising the Redemption Call Right.

(j) The transfer of Exchangeable Shares to Exchangeco by the Exchangeable Shareholders upon Exchangeco exercising the Liquidation Call Right.

(k) The transfer of Exchangeable Shares to BEA by the Exchangeable Shareholders upon the exercise of the Optional Exchange Right.

(l) The transfer of Exchangeable Shares to BEA by the Exchangeable Shareholders pursuant to the Automatic Exchange Right.

19. Assuming the exchange of all Exchangeable Shares for shares of BEA Common Stock, immediately after the completion of the Acquisition, all persons or companies resident in Ontario did not in aggregate hold of record or own beneficially more than 10% of the issued and outstanding BEA Common Stock or represent more than 10% of the number of holders of BEA Common Stock.

20. There is no market for the shares of BEA Common Stock in Ontario and none is expected to develop.

21. Upon completion of the Acquisition, neither the Purchaser nor BEA became reporting issuers under the Act.

22. All disclosure material furnished to holders of shares of BEA Common Stock in the United States will be provided to Exchangeable Shareholders and the holders of shares of BEA Common Stock resident in Ontario.

23. So long as any outstanding Exchangeable Shares are held by any person other than BEA or its affiliates, BEA will remain the direct or indirect beneficial owner of a majority of the outstanding voting shares of the Purchaser and Exchangeco.

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

IT IS RULED pursuant to subsection 74(l) of the Act that, to the extent there are no exemptions available from the registration and prospectus requirements of the Act in respect of any of the Trades, such Trades are not subject to sections 25 or 53 of the Act, provided that:

(i) the first trade in Exchangeable Shares, other than the exchange thereof for shares of BEA Common Stock, shall be a distribution; and

(ii) the first trade in any shares of BEA Common Stock issued upon the exchange of Exchangeable Shares shall be a distribution unless:

(a) such trade is made in compliance with section 72(5) of the Act and section 2.18(3) of Ontario Securities Commission Rule 45-501 - *Exempt Distributions* as if the securities had been issued pursuant to one of the exemptions referenced in section 72(5) of the Act; or

(b) such trade is executed through the facilities of a stock exchange outside of Ontario or on The NASDAQ Stock Market and such trade is made in accordance with the rules of the stock exchange upon which the trade is made or the rules of The NASDAQ Stock Market in accordance with all laws applicable to that stock exchange or applicable to The NASDAQ Stock Market.

April 25th, 2000.

"J. A. Geller" "Morley P. Carscallen"

2.3.2 Sonus Network, Inc. - ss. 74(1)

Headnote

Subsection 74(1) - issuance of shares to certain Ontario relatives and friends of employees, officers or directors of non-reporting issuer pursuant to its directed share program in connection with its U.S. initial public offering exempt from section 53 of Act - first trade is a distribution unless made in accordance with subsection 72(4) or made through the facilities of a stock exchange or market outside of Ontario, subject to certain conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 53, 72(4) and 74(1).

Rules Cited

Ontario Securities Commission Rule 14-501 - *Definitions* ((1997), 20 OSCB 4054, as amended, (1999), 22 OSCB 1173.

Ontario Securities Commission Rule 45-501 - *Prospectus Exempt Distributions* (1998), 21 OSCB 6548.

Ontario Securities Commission Rule 72-501 - *Prospectus Exemption for First Trade Over A Market Outside Ontario* (1998) 21 OSCB 3873.

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

AND

IN THE MATTER OF
SONUS NETWORKS, INC.

RULING
(Subsection 74(1))

UPON the application of Sonus Networks, Inc.("Sonus") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 74(1) of the Act that certain trades in the shares of common stock of Sonus (the "Shares") to be made pursuant to a proposed Directed Share Program (the "Program") to 11 relatives and one friend of employees, officers or directors of Sonus residing in the Province of Ontario, who elect to participate in the Program (the "Ontario Program Participants"), shall not be subject to section 53 of the Act;

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

AND UPON Sonus having represented to the Commission as follows:

1. Sonus is a corporation incorporated under the laws of Delaware and is not a reporting issuer under the Act and has no present intention of becoming a reporting issuer under the Act.

2. Sonus is currently in the process of completing an initial public offering (the "IPO") in the United States and in connection therewith has filed a registration statement on Form S-1, as amended (the "Preliminary Prospectus").

3. Sonus proposes to offer 5,000,000 Shares under the IPO.

4. Upon completion of the IPO, the Shares will be quoted on the Nasdaq National Market.

5. The Program is being made available to friends and family members of employees, officers and directors of Sonus as well as to the employees and business associates of Sonus ("Sonus Program Participants"), including the Ontario Program Participants (Sonus Program Participants and Ontario Program Participants collectively known as "Program Participants"), in connection with the IPO, all on the same terms and conditions.

6. Participation in the Program is voluntary and the Preliminary Prospectus and the final prospectus (the "Prospectus") prepared in accordance with U.S. Securities laws will be forwarded to each Program Participant who chooses to participate in the Program.

7. The Shares will be offered at a price equal to the price of the Shares of Common Stock of Sonus in connection with the IPO.

8. The Ontario Program Participants are as follows: six (6) relatives of the Chairman of the Applicant, two (2) relatives of an officer of the Applicant, three (3) relatives of employees of the Applicant and one (1) friend of a senior employee of the Applicant.

9. The aggregate number of Shares offered to the Ontario Program Participants will not exceed 5,300 Shares.

10. The trades to Ontario Program Participants will be effected by RBC Dominion Securities Inc., a registered dealer under the Act.

11. After giving effect to the IPO, the aggregate number of Shares held by Ontario Program Participants will be less than 1% of the issued and outstanding shares of Sonus and the number of registered Ontario residents holding Shares will not be more than 1% of the total number of holders of issued and outstanding Shares of Sonus.

12. There is not expected to be a market for the Shares in Ontario and it is intended that any resale of Shares acquired under the Program will be effected through the facilities of the Nasdaq National Market in accordance with its rules and regulations.

13. Ontario Program Participants will be provided with a notice advising that an Ontario Program Participant will not have any rights against Sonus under provincial securities laws and, as a result, must rely on other remedies which may be available, including common law rights of action for damages or rescission or rights of action under the civil liability provisions of U.S. federal securities laws.

14. The annual reports, proxy materials and other materials generally distributed to Sonus shareholders resident in the United States will be provided to Ontario Program Participants at the same time and in the same manner as the documents would be provided to United States resident shareholders.

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

IT IS RULED, pursuant to subsection 74(1) of the Act, that trades in Shares pursuant to the Program to Ontario Program Participants are not subject to section 53 of the Act, provided that the first trade in any of the Shares acquired by an Ontario Program Participant pursuant to this ruling shall be a distribution unless such trade is made in accordance with the following conditions:

A. such trade is made in accordance with the provisions of subsection 72(4) of the Act, as modified by section 3.10 of Commission Rule 45-501 *Prospectus Exempt Distributions*, as if the Shares had been acquired pursuant to an exemption referred to in subsection 72(4) of the Act, except that, for these purposes, it shall not be necessary to satisfy the requirements in clause 72(4)(a) of the Act that the issuer not be in default of any requirement of the Act or the regulations made under Act if the seller is not in a special relationship with the issuer, or, if the seller is in a special relationship with the issuer, the seller has reasonable grounds to believe that the issuer is not in default under the Act or the regulations made under the Act, where, for these purposes, ``special relationship" shall have the same meaning as in Commission Rule 14-501 *Definitions* ; or

B. such trade is made in accordance with the provisions of Subsection 2.1 of Commission Rule 72-501*Prospectus Exemption For First Trade Over a Market Outside Ontario*.

May 23rd, 2000.

"Howard I. Wetston" "Robert W. Korthals"

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Reasons

3.1.1 Terence D. Coughlan

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

AND

IN THE MATTER OF
TERENCE D. COUGHLAN

Hearing:	March 20 and April 10, 2000		
Panel:	Howard I. Wetston, QC	-	Chair
	Morley P. Carscallen, FCA	-	Commissioner
	R. Stephen Paddon, QC	-	Commissioner
Counsel:	Tim Moseley	-	For the Staff of the Ontario Securities Commission
	David Hausman Yvonne B. Chisholm Richard Neidermayer Peter L. Roy	-	For the Motion Applicants
	Christopher D. Bredt Freya Kristjanson	-	For Coughlan

REASONS FOR DECISION OF
VICE-CHAIR WETSTON AND COMMISSIONER CARSCALLEN

BACKGROUND

WMC International Limited, WMC International Holdings Limited, WMC Limited, James H. Lalor, Peter Maloney, William J. Braithwaite and Colin Wise (the "Motion Applicants") request an order for disclosure of the s.13 evidence of Mr. Terence Coughlan (the "Motion Respondent") under s. 17 of the Act. The motion was heard on March 20 and 21, and April 10, 2000.

This motion is brought in the context of a Nova Scotia Supreme Court action (the "Cavalier Action"), brought by Sumner M. Fraser, William Kitchen, William Mundle and Dr. James Collins, in their personal capacities and as representatives of certain investors (the "Cavalier Plaintiffs") in Cavalier Energy Limited ("Cavalier"), an oil and gas exploration company. The Motion Applicants are the defendants in the Cavalier Action. The Motion Respondent was a former Chief Executive Officer and director of Cavalier.

In January, 1988, Westminer (Canada) Acquisition Corp. acquired Seabright Resources Inc. ("Seabright"), a reporting issuer in Ontario, pursuant to a take-over bid for the Class A shares of Seabright. Messrs. Lalor, Braithwaite and Maloney served as directors of Westminer Canada Holdings Limited and Westminer Canada Ltd. and Mr. Wise served as general counsel to Western Mining Corporation Holdings Ltd. The decision to acquire Seabright was made after Seabright's public disclosure of its mining exploration results at a Nova Scotia gold mine. Letters of credit and/or letters of guarantee were provided as security for a $15,000,000 borrowing by Cavalier. Westminer subsequently discovered that the Nova Scotia gold mine had no commercially mineable gold reserves. In July, 1988, Messrs. Braithwaite and Peter Roy, brought to the attention of Staff of the Enforcement Branch of the Commission the concerns regarding the adequacy of Seabright's public disclosure regarding the Nova Scotia gold mine.

In July, 1988, Cavalier filed a preliminary prospectus with Wood Gundy acting as underwriter. Wood Gundy subsequently withdrew from the offering in August, 1988. In September, 1988, the Alberta Securities Commission refused receipt for the offering. In April, 1990, another preliminary prospectus was filed by Cavalier. Receipt of the prospectus by the OSC was conditional upon the resignation of Mr. Coughlan. However, in July or August, 1990, the OSC lifted this condition. In October or November, 1990, the Toronto Stock Exchange (the "TSE") approved an application for listing on the condition that Mr. Coughlan resign as an officer and director of Cavalier, and that any Cavalier shares that he held directly or indirectly be placed in a non-voting escrow for three years. An appeal by way of hearing *de novo* was made to the TSE Board of Governors and was dismissed. A further appeal to the Commission was also dismissed.

As a result of an investigation by Staff, a s.11 order was issued in February, 1989, and Mr. Coughlan was examined pursuant to s.13 in April, 1989. Staff's investigation of Mr. Coughlan and subsequent proceedings were resolved by settlement agreement in March, 1990. Under the terms of the settlement agreement, Mr. Coughlan consented to an order which provided that, with certain exceptions, his trading exemptions would be withdrawn for a year, subject to the written approval of the Commission. Mr. Coughlan made no admission as to the facts underlying the settlement agreement. Mr. Coughlan also undertook to make payment to the Commission of $40, 000 with respect to Staff's investigation costs.

In July, 1988, Westminer Holdings Limited and Westminer Canada Limited filed a Statement of Claim in the Supreme Court of Ontario (the "Ontario Action") against the former directors of Seabright claiming damages and interest for fraud, deceit, conspiracy and negligent misrepresentations against Mr. Coughlan. An amended Statement of Claim was filed in December, 1988. There was no production of documents or discovery evidence with regard to the Ontario Action; it did not proceed beyond the pleading stage.
In 1988, a series of four Nova Scotia Supreme Court actions (the "Seabright Proceedings") were brought in Nova Scotia in which the present Motion Applicants were adverse in interest to Mr. Coughlan. Mr. Coughlan alleged that the Ontario Action and other lawful and unlawful means were used by the Motion Applicants and other defendants to injure the former Seabright directors. The allegations contained in the Seabright Proceedings were litigated and tried in the Nova Scotia Supreme Court Trial Division. The decision in the Seabright Proceedings was rendered on March 23, 1993 (*Coughlan et al.* v. *Westminer Canada Ltd. et al* (1993), 120 N.S.R. (2d) 91 (S.C.)) after 83 days of trial testimony, four days of Commission evidence, the filing of 1659 exhibits, and 169 days of discovery involving the exchange of 100,000 documents. Mr. Coughlan was examined for approximately three weeks; he was on the stand at trial for sixteen days, including nine days of cross-examination. The Nova Scotia Court of Appeal dismissed the appeal and allowed the plaintiffs' cross-appeal in part (*Coughlan et al.* v. *Westminer Canada et al.* (1994), 127 N.S.R. (2d) 241 (C.A.)).

The trial court found as a fact that the defendants, including the Motion Applicants, pursued the former directors of Seabright in the Ontario Action with the predominant intent to injure them. We note that Mr. Justice Nunn, the trial judge in the Seabright Proceedings, awarded Mr. Coughlan damages in respect of the investigation of the Ontario Securities Commission as a consequence of the instigation of the inquiry by representatives of the defendants in that case. Justice Nunn held that:

> Clearly the fact is readily established that the defendants [among them the moving parties], prior to commencing their actions directly and deliberately caused the Ontario Securities Commission to conduct the inquiry. While it may be true that the Commission would have launched an inquiry on its own motion once it learned if (sic) the action, this activity of the defendants certainly appears to support the plaintiffs (sic) allegation that the real intent of the defendants was to injure Coughlan in every way they could.....
>
> There are also claims for special damages on Coughlan's behalf. I will deal with each...
>
> 2. Claim for the fees, disbursements and expenses, including the settlement payment, relating to the investigation of the Ontario Securities Commission as a consequence of the instigation of the inquiry by representatives of the defendants.
>
> This is a valid claim and Coughlan is entitled to recover such amounts from the corporate defendants.

The Cavalier Plaintiffs filed an amended Statement of Claim in the Cavalier Action in August, 1995. The Cavalier Action is scheduled to commence in the Nova Scotia Supreme Court on April 25, 2000.

SUBMISSIONS OF THE PARTIES:

The Motion Respondent

The Motion Respondent submitted that it is not in the public interest for the Commission to release Mr. Coughlan's s. 13 evidence for seven reasons. First, counsel submitted that there is a fundamental presumption of privacy under the Act that is not to be interfered with except for good reason (s. 16(2)). Second, counsel submitted that Mr. Nigel Campbell, Commission Staff at the time, gave assurances to Mr. Coughlan at the time of his examination that his evidence would not be disclosed and that the Commission should abide by those assurances. It was also emphasized that Policy 2.8, which has since been revoked by the Commission, but was the policy at the time that Mr. Coughlan gave his evidence, stated that "the Commission did not view it as being in the public interest, and the conduct of effective investigations (own emphasis), to consent to release of information or evidence obtained through an investigation issued under section 11 or 13 of the Act"; (*Re: Weram Investments Ltd. v. The Ontario Securities Commission* 1988) OSCB 2433 (OSC); appeal dismissed (1990) OSCB 2287; 39 OAC 52(Divisional Court)).

Thirdly, it was submitted that it is in the public interest and in Mr. Coughlan's interest that evidence obtained under s. 13 not be divulged unless so required for a legitimate Securities Act purpose. Fourth, Mr. Coughlan's agreement to settle indicates that he had an expectation that his s. 11 evidence would not be divulged. Fifth, the release of the transcript will likely be an invasion of the privacy of third parties. Sixth, the trial judge in the Seabright Proceedings made specific findings of fact with respect to trauma caused to Mr. Coughlan by the Motion Applicants and they should therefore not be given access to his private

information for a civil litigation purpose. Lastly, counsel for Mr. Coughlan submitted that the evidence at issue is only of tenuous relevance in the context of the civil litigation since the pleading relates to the initiation of the investigation and Mr. Coughlan gave his evidence two months after the investigation order and approximately eleven months after the Motion Applicants first approached the Commission. In this regard, it is submitted that the Cavalier Plaintiffs have not pleaded a lack of independent judgement by the OSC. Counsel for the Motion Respondent also made certain Charter arguments concerning the release of the s.13 evidence in their factum, but did not pursue these arguments in their oral submissions.

The Motion Applicants

The Motion Applicants submit that the conspiracy allegations of the Cavalier Plaintiffs question the integrity of the Commission in its investigation of Mr. Coughlan. It is submitted that while the amended statement of claim, at paragraph 33, refers to initiating an OSC investigation, the pre-trial briefs of the Cavalier Plaintiffs and their examination for discovery make it clear that their strategy is to establish undue influence on the initiation and conduct of the Coughlan investigation and proceedings before the OSC. While not explicit in the Seabright Proceedings, they contend that it can be reasonably concluded that the court was sympathetic to the submission.

In particular, in finding a conspiracy to injure Mr. Coughlan, the court allowed a claim for fees, disbursements and expenses including "the settlement payment relating to the investigation of the OSC as a consequence of the investigation of the inquiry by representatives of the defendants" ($40,000.00).

As part of their public interest argument under s. 17 that the s. 13 evidence should be disclosed, the Motion Applicants submit that the purpose of this evidence would be to refresh the memory of Mr. Joseph Groia who was Director of Enforcement at the relevant time of the events of a decade ago and to provide evidence that the Commission acted independently of the Motion Applicants in the initiation and conduct of the investigation. In this regard, the questions maybe equally as important as the answers.

It is submitted that *Weram, supra*, reflected the former policy of the Commission regarding disclosure and is in any event different from this case. The Motion Applicants submitted that the Commission is not bound by its former Policy 2.8. S. 17 of the Act now allows for disclosure in the public interest and is not affected by the former policy. The Motion Applicants seek in their submissions to use Mr. Coughlan's s. 13 evidence as a shield and not a sword. They argue that public interest considerations warrant the disclosure of evidence which directly relates to the integrity of the investigative and hearing processes of the Commission. They contend that unlike the investigation into Mr. Coughlan's conduct, the investigation in *Weram, supra,* did not result in the issuance of a Notice of Hearing and an order on consent by the Commission. Furthermore, Mr. Coughlan has testified for 16 days at trial in public regarding the issues that form the subject matter of Staff's investigation and subsequent proceedings, thereby obviating any concern regarding confidentiality of the s.13 evidence.

In response to the Motion Respondents reliance upon *Biscotti v. The Ontario Securities Commission* (1991) 1 O.R. (3d) 409 (CA) it was contended that *Biscotti, supra,* was also decided under the old Act and is therefore distinguishable.

With respect to the relevance of the evidence, counsel submitted that based on the pre-trial memorandum and other documents submitted by the Cavalier Plaintiffs, it is clear that the Cavalier Plaintiffs' litigation strategy will involve allegations that the OSC did not act independently. Finally, it was submitted that as a market participant in Ontario's capital markets Mr. Coughlan has a lower expectation of privacy with respect to his conduct; *(B.C. Securities Commission v. Branch et al* (1995), 123 DLR (4th) 462 (SCC) at 488-489). By way of example, if there was no settlement proceeding, that evidence could very well have been disclosed in a Commission proceeding.

Staff

Staff of the Commission made a number of helpful submissions to assist the Commission in its deliberations but took no position regarding whether the motion should or should not be granted.

ANALYSIS

The Motion Applicants bear the burden of establishing that it is in the public interest to make the order. This decision must be made in the context of the current legislation. Policy 2.8 is no longer Commission policy and s. 17 of the Act now provides the Commission with the discretion to order disclosure of the evidence obtained under s. 13, upon notice, if it is in the public interest. The decision in *Biscotti, supra*, is of assistance but was decided under the old Act and Policy.

In our opinion *Weram, supra,* is different than this case. In general, we agree that a s. 17 order should not be granted where a party to an action seeks to obtain the transcript of the examination of a witness under s. 13 particularly where that person is not a party to the litigation. In and of itself this would not be in the public interest. In determining whether to exercise our discretion in the public interest, we must have regard to the specific purpose for which the evidence is sought and the specific circumstances of the case. In other words, does the disclosure serve a useful purpose in the public interest?

In *Weram, supra,* a 1988 decision, the evidence was sought merely to assist the litigation of the substantive issues and was decided under former Policy 2.8. In that case no Notice of Hearing or Order was issued by the Commission. Also in *Weram, supra,* evidence was sought of other persons. In this case, the Motion Applicants are attempting to defend themselves, for the second time, against an allegation of conspiracy flowing from allegations that initiating a Commission investigation furthered a conspiracy which caused damages to the Cavalier Plaintiffs.

In determining whether to make an order for disclosure a balance needs to be struck between the continued requirement for confidentiality and our assessment of the public interest at stake. The public interest can only be determined and understood within the context of the unique and specific circumstances of the case, as well as the statutory framework in which it is to operate.

This obligation to maintain confidentiality is not absolute, but rather has limits, otherwise, disclosure could never be in the public interest. However, confidentiality is the expressed intent of the Act. Fairness requires notice be given to Mr. Coughlan if disclosure is requested. In determining whether to make the order under s. 17 we must consider what the harm is to Mr. Coughlan. The Act does not speak to personal privacy rights but rather addresses the issue of confidentiality of information under s. 13

which must be related to activities of Mr. Coughlan as a participant in Ontario's capital markets. In this case, by way of example, the Notice of Hearing that gave rise to the settlement agreement alleged that Mr. Coughlan authorized, permitted and acquiesced in the filing by Seabright of documents that contained misrepresentations, Seabright's failure to file required press releases and material change reports and its failure to comply with its obligations under National Policy 40 (timely disclosure).

Subsection 16(2) and 17(1) of the Act respectively provide as follows:

> Confidentiality. - Any report provided under Section 15 and any testimony given where documents or other things obtained under section 13 shall be for the exclusive use of the Commission and shall not be disclosed or produced to any other person or company or in any other proceeding except in accordance with section 17.
>
> Disclosure by Commission. - If the Commission considers that it would be in the public interest, it may make an order authorizing the disclosure to any person or company of.....

The Commission investigation into this matter is finished and the limitation period has expired. No further proceedings against Mr. Coughlan are contemplated in this matter. The matter was resolved by settlement agreement on March 21, 1990. The integrity of any investigation under the Securities Act is no longer in issue. There is no longer any ongoing public interest in maintaining confidentiality for the "exclusive use" of the Commission in the enforcement and administration of the Securities Act.

Market participants recognize that their rights to confidentiality are not equivalent to non-market participants; *Branch, supra.* Evidence regarding their conduct as a market participant that is compelled flows from their conduct and not necessarily when they give their evidence. Among other things, this is one of the principles in the decision of the Supreme Court of Canada in *Branch, supra.*

Mr. Coughlan previously commenced an action against the Motion Applicants claiming relief analogous to the relief claimed in the Cavalier action. He gave his s. 13 evidence nearly eleven years ago. The settlement agreement clearly reveals that the Commission's investigation was in relation to Mr. Coughlan's involvement as an officer and director of a public company and reporting issuer in Ontario. It is clear from a review of the judgement of Mr. Justice Nunn, in the Seabright Proceedings, that he testified for sixteen days, including nine days of cross-examination, about the very issues that were the subject of the Commission investigation. In this context it becomes difficult to ascertain any specific harm to Mr. Coughlan as a result of a s. 17 order. Moreover, at this stage, no harm to Ontario's capital markets was identified.

We recognize the assurance given by Staff counsel, Mr. Campbell, to counsel for Mr. Coughlan but that was in the context of the original action and could not in any event bind the Commission. As indicated previously, this is a unique case. We now have an application which in our view is unambiguous as to the allegations of the Cavalier Plaintiffs, that is, the Commission did not act independently by exercising its own discretion to commence proceedings against Mr. Coughlan. It is clear that the Commission proceedings did have a direct impact on the proposed initial public offering. Although it appears that the Ontario Action caused the withdrawal of Wood Gundy Inc. as the principal underwriter in August 1988, subsequent difficulties in completing the IPO were exacerbated by the position taken by securities regulators. While that may have been an unfortunate result for the Cavalier Plaintiffs, it is our opinion that public confidence in the regulatory system is in the public interest and is an important goal that must not be overlooked. Indeed disclosure in this case enhances and does not undermine public confidence in the administration of the Securities Act. As stated by the Supreme Court of Canada in *Branch, supra,* page 486

> The primary goal of securities legislation is the protection of the investor, but other goals include capital market efficiency and ensuring public confidence in the system. (Own emphasis).

In their pretrial memorandum in the Cavalier action, the Cavalier Plaintiffs make the following factual allegations in support of which they intend to introduce evidence at trial:

> Unbeknownst to Cavalier Capital, there were many interventions by Westminer agents with the regulatory authorities, mainly the OSC, which had a serious affect on Cavalier Capital's ability to communicate its losses. (Own emphasis). Over the course of the 20 months from the complaint to settlement, the corporate defendants were in regular communication with the OSC principally through their counsel, Mr. Peter Roy. There were some 17 direct and 11 written communications between Westminer and the OSC during that period. Between July and October, 1988, Mr. Roy delivered some 16 volumes of documents as well as the results of numerous interviews to the OSC. Mr. Roy's zeal on behalf of his client was motivated by legal counsel's assurance to the Westminer Board that they were very confident Westminer would win in a civil action against Coughlin and other former directors of Seabright, and that Coughlin and Garnett had no defences to have brought action.
>
> On December 13, 1989 Messrs. Wise and Roy attended at the OSC to discuss the status of the investigation. The OSC had advised it was of the view the investigation should be suspended pending the resolution of the lawsuits, either the Ontario action or the Seabright Proceedings in Nova Scotia, in which the allegations of fraud against Coughlin et al could better be pursued. The OSC's reluctance to proceed was met, however, with the defendants insistence that the OSC proceed with its investigation instead. (Own emphasis).

In our opinion, the Motion Applicants should be given the opportunity to provide Mr. Groia with this evidence to refresh his memory and to prepare a defence to the allegations. The disclosure of the evidence may be the best way to resolve disputes as to adjudicative facts. It is not our role to determine relevancy or how the evidence will be used at trial. That is for the court. It is our duty to determine, in our opinion, whether the disclosure of the evidence will serve a useful purpose in the public

interest. In this case, we are of the opinion that Mr. Coughlan's confidentiality rights are affected only minimally and we are not satisfied there is any specific direct harm. To not grant the order would mean that the confidentiality right is absolute and not limited by our s. 17 public interest discretion. As stated previously, the public interest includes ensuring public confidence in the regulatory system particularly with respect to the independent administration and enforcement of the Securities Act.

During the hearing of the motion we asked all counsel to consider how the Commission might minimize any impact, if any, on Mr. Coughlan should we order the disclosure of the evidence. For example, we suggested only disclosure to counsel or to Mr. Groia. Other than a suggestion by the Motion Applicants that they did not require references to third parties, no other submissions were advanced. The Motion Respondent did not take up this suggestion. Accordingly, on April 14th, 2000 we ordered, pursuant to s. 17 of the Securities Act, the disclosure of the transcript of Mr. Coughlan's s. 13 evidence and only those documents referred to in the transcripts.

As indicated previously, while the factum of the Motion Respondent contained a number of Charter arguments they were not pursued during the oral hearings of the motion. In any event, it is our opinion that none of the authorities provided by the Motion Respondent has any application to the matters and issues in this motion. It is our opinion that there has been no unlawful search or seizure contrary to section 8 of the Charter nor has Mr. Coughlan's security of the person rights under section 7 of the Charter been infringed.

Accordingly the motion was granted in part.

Commissioner Paddon dissented and has issued his own Reasons.

April 19th, 2000.

"Howard I. Wetston" "Morley P. Carscallen"

DISSENTING OPINION: COMMISSIONER PADDON

On June 15, 1215 King John agreed that arbitrary despotism should be replaced with a system of checks and balances free from the Kings whim. Government was recognized to be more than the arbitrary rule of any man and custom and law were declared to stand above the crown. Thus was born Magna Carta which, while bruised, survives in English jurisprudence to this day. It has been used as the foundation of principles and systems of government throughout the British Empire and should not be forgotten in the modern day administration of law in Canada and its provinces.

> "The underlying idea of the sovereignty of law, long existent in feudal custom, was raised by it into a doctrine for the national state. And when in subsequent ages the State, swollen with its own authority, has attempted to ride roughshod over the rights or liberties of the subject it is to this doctrine that appeal has again and again been made, and never, as yet, without success."

Winston S. Churchill, The Birth of Britain, Vol. 1, p. 257.

Magna Carta is part of the underpinning of Canada's Charter of Rights and Freedoms and at page 848 of The Law of Evidence in Canada by John Sopinka, Sidney N. Lederman and Alan W. Bryant the following appears under the heading "Self-Incrimination and the Right to Silence":

> "14.298 In *U.S.A. v. Ross*, Fish J.A., in reflecting on the Supreme Court of Canada decisions on the principle of self-incrimination, summarized them in this way.
>
> These cases deal with testimonial compulsion within and without the criminal justice system, both at trial and prior to trial. Read together, they establish that:
>
> 1. The right to silence has become constitutionally entrenched in Canada. This right, however, is not absolute.
>
> 2. The right to silence derives in large measure from the principle against self-incrimination, which is a principle of fundamental justice within the meaning of s. 7 of the Charter.
>
> 3. Any statute that compels a person to testify diminishes that person's liberty and must therefore comply with the principles of fundamental justice.
>
> 4. The principles of fundamental justice are not hierarchical and none may be considered subordinate or impervious to the others.
>
> 5. The structure of the Charter reveals the intention of its framers to enact in constitutional form the same structural protection against self-incrimination for witnesses that existed historically.
>
> 6. This structure is founded upon the Crown's obligation to make a case, but it also assumes a

general rule of compellability coupled with evidentiary immunity.

7. The principles of fundamental justice sometimes compete with one another. This is true of the privilege against self-incrimination and the principle that all relevant evidence should be accessible to triers of fact.

8. The principle against self-incrimination requires that persons compelled to testify be granted "derivative-use immunity" in addition to the "use immunity" guaranteed by s. 13 of the Charter.

9. In addition, courts may exempt witnesses from testifying where they are satisfied that the predominant purpose of compelling those witnesses to testify is to obtain incriminating evidence against them rather than some legitimate public purpose.

10. To qualify as a valid public purpose, compelled testimony in a criminal or penal prosecution must be for the purpose of obtaining evidence in furtherance of that prosecution."

I believe that Part VI of the *Securities Act* (the "*Act*") reflects the above principles.

The Applicant in the motion before us consists of three corporations and four individuals who are Defendants in an action in the Supreme Court of Nova Scotia (the "Cavalier Action"). All of these Defendants were also Defendants in former actions in the Supreme Court of Nova Scotia (the "Seabright Action") where they had judgments made against them. The moving parties are now defending themselves in the Cavalier Action, again in Nova Scotia, and wish to obtain certain information through section 17(1) of the *Act* to help them defend the action. They must satisfy us that it is in the public interest that such information be disclosed to them. Terrence D. Coughlan ("Coughlan"), a resident of Nova Scotia, who was previously brought before the Ontario Securities Commission ("OSC") in 1989 in a proceeding under section 124 (now 127) is the person whose evidence is sought and he is resisting strongly its release. The 1989 proceeding resulted in a Settlement Agreement between Coughlan and the Staff of the OSC. A copy of that Settlement Agreement is before us.

In the course of the proceeding, Coughlan was examined under oath and in addition to the protection of confidentiality provided under section 16(2) of the *Act* he received further assurance that the evidence given by him would not be disclosed beyond the Commission.

An action was brought in Ontario on July 29, 1988 against Coughlan and others (the "Ontario Action") and it is described below.

Now, 10 years later, the moving parties want to have the "section 11 evidence".

In my view, there are several reasons why the relief sought should not be granted. The principles involved are set out in the opening pages of this opinion. Information gathered by a governmental agency, which is directed in its creating statute to keep such information confidential, must not only be so kept by the agency but also defended against any intrusion. Any exception to this rule must be rigidly tested. The Applicants have to prove on the balance of probabilities that they are entitled to the information because it is in the public interest that they have it. They must convert their own individual interests into the public interest. Why should they have it? They say – "We need it to defend ourselves in the Cavalier Action." But when that allegation is examined it is clear that the Cavalier Action does not rely on the OSC's prior conduct but directly on the Ontario Action. The Statement of Claim and the Amended Statement of Claim in the Cavalier Action clearly base the Plaintiffs' claim in the Cavalier Action on the bringing of the Ontario Action. That action was commenced by Westminer Canada Holding Limited and Westminer Canada Limited. The Statement of Claim in the Seabright Action contains serious allegations against Coughlan concerning the Westminer purchase of Seabright. One only has to read the Statement of Claim to see what Westminer was saying publicly about Coughlan at that time. Now, in the Cavalier Action, the Plaintiffs say that the Ontario Action damaged their key man with the effect that his financial standing in the community was destroyed. Because he was their promoter of Cavalier, they lost their investment. That's what their action is all about. There is no direct link alleged by the Cavalier Plaintiffs to any other conduct.

The Ontario Action is first referred to in paragraph 25 of the Cavalier Statement of Claim. It was commenced on July 29, 1988 and served on August 2, 1988. In paragraph 26 of the Cavalier Action, in the Statement of Claim it is alleged that because of the Ontario Action, Wood Gundy Inc. withdrew on August 16, 1988 from the initial public offering being pursued by Cavalier. The allegations of fraud, deceit, conspiracy and negligent misrepresentation against Coughlan are relied on by the Plaintiffs in the Cavalier Action as the cause of Wood Gundy's withdrawal. Paragraphs 27, 28, 29, 31, 33 and 35 contain further reference to the harm caused by the bringing of the Ontario Action. From the pleading it is unquestionable that the Cavalier Action is based on the commencement of the Ontario Action.

The Applicant tried to convince us in this proceeding that the statement made in paragraph 33 of the Cavalier Action Statement of Claim, where reference is made to the Ontario Securities Commission investigation as one among four distinct means that the Defendants were found to have used in Seabright, somehow was being relied upon by the Plaintiffs in the Cavalier Action. My reading of the pleadings make it clear that this is not the case. To me that suggestion is not supported by the evidence before us. The Statement of Claim in eight paragraphs makes it crystal clear that the gravamen of the Plaintiffs' case is based on the bringing of the Ontario Action. There is no basis to release the Coughlan testimony in the context of the Cavalier Action because no allegation of the Plaintiffs refers to the OSC proceedings as a causal fact. In my view that alone should be the end of it.

I can understand the Cavalier Defendants' concern about another conspiracy finding against them but their focus seems to be in the wrong place. The element of conspiracy was, in Seabright, the joint conduct of the Defendants. The four elements relied on by the Court in Nova Scotia were the means found to have been those employed by the Seabright Defendants. There could have been one element or ten elements used to effect the conspiracy. It is not those four elements that are the conspiracy but rather the combined acts of the conspirators in using them.

Even though I do not accept that the OSC's 1989 proceeding is any part of the basis for the Cavalier Plaintiffs' claim, I will now look at its relevance if it were.

As set out in the moving parties brief they believe that:

> "The question as to whether the moving parties (or any of them) influenced the course of the staff's investigation regarding Coughlan and Seabright is an important issue for the Cavalier Plaintiffs in the Cavalier Action."

Again, based on my detailed analysis of the Statement of Claim and Amended Statement of Claim, OSC Staff's investigation is not an issue. Having carefully reviewed the Pre-Trial Memorandum I, once again, do not see the OSC proceeding as an issue. The Cavalier Plaintiffs' Pre-Trial Memorandum does not raise it as an issue. That document was filed late in March, 2000 and nothing has changed from the impression I have of the action based on the Amended Statement of Claim.
The only relevance the moving parties suggest that the section 11 evidence may have in the Cavalier Action is referred to in (t), (u) and (v) of their Notice of Motion in this proceeding. I have already dealt with the first sentence of (t). They state that they intend to call Joe Groia to testify at the trial. Groia was the Director of the Enforcement Branch of the OSC during the Coughlan investigation. In (u) the moving parties through their counsel, state that they need the "section 11 evidence ... to assist Groia in the preparation of his testimony regarding these events ...". It might have been useful for us to have had before us on this motion, direct evidence from Groia that if he is going to be a witness in the Cavalier Action he needed to read the transcript of the evidence. Mindful of the fact that the issues before the Commission back in 1989 had no relevance to anything alleged in the Cavalier Action, it would have been helpful to this Commissioner to have Groia's explanation as to why he might need such assistance. Given the remoteness of the relevance of the evidence sought, I cannot agree that it is required by the moving parties at this time.

From the standpoint of Groia's need to refresh his memory, a good start would be his reading of Braithwarte's deposition.

The moving parties in section (v) state that "Most importantly, the moving parties anticipate that Coughlan's section 11 testimony may, in itself, serve as cogent evidence that Staff acted independently of the conduct of the moving parties in the conduct of the investigation. In this respect, the questions asked of Coughlan may prove to be equally important as the answers that he gave."

This to me, particularly in the last sentence, looks like a riddle posed for the Commission. We do not know what the evidence was and how could we or anyone reading the transcript garner anything relevant in the current Cavalier Action from this approach?

The OSC investigation was conducted to deal with timely disclosure of material facts concerning Seabright in the period before December, 1987. How the evidence and questions at that investigation could be relevant to the current Cavalier Action escapes me. It is complete speculation to anticipate whether the material sought will have any relevance to the issues in the Cavalier Action. It is the speculative and questionable relevance and speculative and questionable use at trial that leads me to conclude that release of such material would not be in the public interest. The onus required to be met to satisfy section 17 of the *Act* has not been met. A clear direct need has not been established.

I now turn to the public interest postulated by the moving parties. In paragraph (x) of the Notice of Motion, the moving parties allege that "the Cavalier Plaintiffs appear to advance a position that will call into question the integrity of the Commission's investigative and adjudicative processes. They have, in effect, alleged that Staff acted as a 'pawn' of the moving parties throughout its investigation of Coughlan."

Having studied the Amended Statement of Claim and Pre-Trial Memorandum of the moving parties and all the material put before us on this application, I can find no support for this allegation of the moving parties. They have very carefully, in paragraph (x), used the words "in effect". They can put this propositions to Groia whom they have, in effect, represented to us they are going to call at the trial and see how he reacts to it, bearing in mind his former role at the OSC.

As pointed out in the opening of this dissenting opinion, evidence given under oath to a regulatory authority is ab initio privileged. This right is confirmed in Part VI of the *Act*. Notwithstanding the non-disclosure provisions of section 16, the Commission may override this right if to do so would be, in its opinion, in "the public interest". Here the Commission is being urged to conclude that this motion is worthy of the exemption. Is it the public interest that the moving parties are concerned about or rather their own narrow interest in a private law suit? In my view the motion before us does not support a finding that the public interest referred to in section 17 has been established. In the words of Chairman Wright referred to below, "the most unusual circumstances" do not exist here.

The moving parties allege that the record at the OSC is important because of the reference in the Statement of Claim regarding the four steps taken by the Defendants in the Seabright Action. However, as the Respondent points out at paragraph 30 of his Factum filed in this motion:

> "Neither the trial judge nor the Court of Appeal made any of the kinds of findings alleged by the defendants here to be in issue; they did not speculate on the motives of the OSC or OSC staff in their conduct of the investigation; they did not call into question the conduct of OSC staff in deciding to issue the Notice of Hearing, or entering the Settlement Agreement. In the context of the issues the relevant question was whether the Westminer parties went to the OSC to launch a complaint: the trial judge found they had indeed done so, and the Westminer parties make this admission in paragraph 23 of the Applicants' Factum."

Taking that allegation as being correct, how can one claim that the evidence taken at the OSC will be an issue in the Cavalier Action? In the absence of it being an issue it is clearly not in the public interest to release the material sought for use at the trial. As pointed out by Coughlan's counsel at paragraph 36 of his Factum:

(i) Mr. Coughlan is not a party to the civil proceeding;

(ii) Mr. Coughlan asserts his privacy interest in information given to the OSC in the cause of the section 11 investigation;

(iii) Mr. Coughlan does not consent to the production; and

(iv) production would be contrary to the expressed representation of OSC staff at the time of the section 11 examination that there would be no disclosure to Westminer, the party now seeking the information in the civil litigation.

I believe that the *Biscotti v. Ontario Securities Commission* case is useful to us here. The Court of Appeal confirmed the decision of Chairman Wright:

> "The power of the Commission to compel a person to come forward and give statements under oath relating to an investigation is a broad and unusual power afforded by the Legislature to the Commission to enable it to carry out its responsibilities to the public under the Securities Act. It is not a power to be lightly used nor in our view should the information gathered be made available to anyone other than staff and counsel conducting the investigation, except in the most unusual circumstances. Any other treatment would prejudice the investigatory responsibilities of the Commission, and could severely prejudice persons whom the Commission staff require to give such statements.
>
> The fact that, under s. 14 of the Act, statements made pursuant to s. 11 may not be disclosed in any way without the consent of the Commission itself, indicates the understanding of the Legislature of the necessity of confidentiality. The power to compel testimony under s. 11 is exercised, and the statements are given, in the course of an investigation on the understanding that they will not become public in any way.
>
> . . .
>
> The right to compel a witness to make a statement under oath is perhaps the most important tool which staff has in conducting investigations. Information and opinion are divulged which could not be admitted in any proceedings before this tribunal or any other. The very nature of the process under which they are obtained in our view dictates that these statements should not be released or used in the manner suggested by the Respondents.
>
> There undoubtedly are circumstances in which the consent provided for in s. 14 might be given, but it appears to us that the basis for this consent should be that the confidentiality clearly provided for in the statute is outweighed by the public interest in disclosure."
>
> Section 14 of the Act requires that it be and remain confidential and that the prohibition against disclosure continues unless the Commission consents to its disclosure. The requirement for consent does not end after the investigation ends or after a hearing has commenced. Further, the need for confidentiality does not diminish once the investigation is complete. There is no reason why the legislation should be construed that way. If that had been the legislature's intention, the section would have expressly so provided.
>
> *Biscotti v. Ontario Securities Commission* (1991), 1 OR (3d) 409 (C.A.) at 414."

The above reference is made in the Respondent's Factum and the following references made therein are relevant.

> 45. In the context of a civil suit, Weram Investments Ltd. commenced an Ontario action against the Hudson Bay Mining and Smelting Co. Ltd. and Sceptre Resources, seeking damages as a result of misrepresentations and misleading and inadequate disclosure. The OSC commenced an investigation as a result, but no charges were laid. Weram applied under s. 14 for consent of the Commission to release of transcripts, documents and other materials arising out of the investigation, presumably in the context of the civil suit. The Commission refused, relying upon OSC Policy Statement 2.8, which provided at the time:
>
> > "As to evidence given in the course of an investigation, the Commission will normally consent to a witness obtaining a copy of his own evidence pursuant to the provisions of section 14 of the Act. **Apart from this, the Commission does not view it as being in the public interest, and the conduct of effective investigations, to consent to the release of information or evidence obtained through an investigation order issued under sections 11 or 13 of the Act.**"
>
> This Policy Statement was in effect at the time that Mr. Coughlan's section 11 evidence was compelled and the section 11 transcript was created. That same test – the "public interest" – is contained in section 17 of the present *Act*.
>
> *Weram Investments Ltd. v. Ontario Securities Commission* (June 10, 1988 OSCB. 2433; appeal dismissed June 8, 1990 OSCB. 2287; 39 O.A.C. 52 (Div. Ct.)).
>
> O.S.C. Policies, Section 2.8, (1982) 4 O.S.C.B. 394E.
>
> 46. The following statements of the Chairman regarding Norcen Energy Resources Ltd. are apposite:

"Commission investigations, whether conducted under sections 11 or 13 of the Act ... are performed by Commission staff on a confidential basis. **Confidentiality is essential in order to facilitate the investigation and in order to avoid, either prejudicing a person's right to fair process in the event that the findings of the investigation justify proceedings, or damaging a person's reputation when the results of the investigation do not support further proceedings. The effective functioning of the Commission depends heavily upon the reliance which parties affected by its operations can place upon the confidentiality of the Commission's administrative proceedings.**"

Norcen Energy Resources (April 29, 1983 O.S.C.B. 760).

47. As this Commission stated in *In Re Rush*:

"When the Securities Commission is investigating possible breaches of the Securities Act or the relevant sections of the Criminal Code, it, of necessity, obtains information and evidence from a great many sources. This information is usually taken under oath. Witnesses who are always entitled to counsel, if they so desire, may or may not have the benefit thereof. **The information obtained is not subject to the rules of evidence and it often, of necessity, covers many subjects and deals with the affairs of many people. In the result, much of this information has nothing to do with the charges that might be laid. The information so obtained by the Commission is not evidence in the sense that it is ever used as such, i.e. any person who gives information to the Commission will have to give their evidence in Court at a preliminary hearing and a trial in the usual way.** Whether or not the witnesses formally ask for the protection of the evidence act (sic) the Commission invariably gives this protection to them. In the opinion of the Commission these applicants should not have access to information given to the Ontario Securities Commission by others which may cover many other actions of the individuals concerned which have no relationship to the charges laid.

In Re Rush, 1967, OSC Bulletin 2 OA (OSC) at 20A-21A.

CONCLUSION

For the reasons set out above, including the precedents adopted, I conclude that the case before us is not one that supports a finding that it would be in the public interest to release the information requested. Therefore I would dismiss the Motion.

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Chapter 4

Cease Trading Orders

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Chapter 5

Rules and Policies

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Chapter 6

Request for Comments

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

Exempt Financings

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

Reports of Trades Submitted on Form 45-501f1

Trans. Date	Security	Price ($)	Amount
27Apr00	360networks inc. - Subordinate Voting Shares	51,680,758	2,603,639
17Apr00	360networks inc. - Subordinate Voting Shares	4,843,033	654,818
07Apr00	Acuity Pooled Balanced Fund - Trust Units	166,998	11,161
31Mar00 to 07Apr00	Acuity Pooled Canadian Equity Fund - Trust Units	538,444	27,407
31Mar00	Acuity Pooled Conservative Asset Allocation Fund - Units	175,367	12,422
31Mar00	Acuity Pooled Conservative Asset Allocation Fund - Trust Units	175,367	12,422
31Mar00	Acuity Pooled Venture Fund -Trust Units	150,000	15,000
12Apr00 to 18Apr00	Acuity Pooled Canadian Equity Fund - Trust Units	496,198	27,696
07Apr00	Acuity Pooled Environment, Science and Technology Fund - Trust Units	150,000	150,000
28Apr00	Andaurex Industries Inc. - Special Warrants	560,000	700,000
07Mar00	APV Affiliates Fund III, L.P. - Limited Partnership Interest	50,000	50,000
24Mar00	APV Technology Partners III, L.P. - Limited Partnership Interest	50,000,000	50,000,000
17Apr00	BCB Voice Systems Inc. - Common Shares	1,020,000	400,000
20Apr00	BPI American Opportunities Fund - Units	4,285,968	27,407
14Apr00	BPI American Opportunities Fund - Units	5,371,087	34,608
05Apr00	CC&L Money Market Fund - Units	510,083	51,008
09Mar00	CC&L Global Futures Fund -	162,352	15,913
28Apr00	CMS Structured Products Fund (Cayman) Ltd. - Limited Partnership Units	555,045	375
19Apr00	Consolidated Trillion Resources Ltd. - Common Shares	404,100	898,000
12Apr00	Darnley Bay Resources Limited - Units	150,000	108,696
01May00	eCallCENTRAL Inc. and funeralCENTRAL.com, Inc. - Units	900,000	36
30Apr00	Eleven Engineering Incorporated - Units	150,000	100,000
14Apr00	Energy Ventures Inc. - 10% Debenture and Share Purchase Warrants	750,000	750,000
28Apr00	Equity International Investment Trust - Units	1, 845	596
11Apr00	Essentus Inc. - Series 2 New Preferred Shares	US$10,000,452	2,164,600
13Apr00	Firmbuy Inc. - Special Warrants	US$4,455,000	990,000
28Apr00	Fuel Cell Technologies Ltd. - Special Warrants	790,000	1,580,000
26Apr00	Gemhouse Online.com Inc. - Common Shares	587,808	261,667
28Apr00	GolfNorth Properties Inc. - Convertible Secured Debenture	129,000	129,000
30Apr00	Harbour Capital Canadian Balanced Fund - Units	1,662,621	14,212

Trans. Date	Security	Price ($)	Amount
30Apr00	Harbour Capital Foregin Balanced Fund - Trust Units	1,343,809	10,896
10Apr00	Hostopia.com Inc. - Common Shares	US$12,000	15
04May00	HSBC Evergreen U.S. Equity Fund - Units	747,233	10,586
10Mar00	Inter-Citic Mineral Technologies Inc. - Common Shares - Amended	170,000	200,000
30Apr00	Intrepid Minerals Corporation - Common Shares	246,500	725,000
20Mar00	IronBridge Networks Incorporated - Shares and Secured Convertible Demand Promissory Notes	US$7,200,000, US$5,000,000	2,400,000, $5,000,000
01May00	Isotechnika Inc. - Special Warrants	4,399,998	1,466,666
26Apr00	Kinbauri Gold Corp. - Cumulative, Redeemable, Convertible Preferred Series B Shares	154,600	773,003
18Apr00	Landmark Global Financial Corporation - Special Warrants	3,162,534	1,405,571
18Apr00	Landmark Global Financial Corporation - Special Warrants - (Amended)	3,162,534	1,405,571
20Apr00	Load Resources Ltd. - Special Warrants	2,850,000	2,850,000
28Apr00	MAPLE KEY Market Neutral LP - Limited Partnership Units	4,046,490	54
30Apr00	Marquest Balanced Fund #750	571,838	41,855
30Apr00	Marquest Technology Fund #401US	800,000	74,443
30Apr00	Marquest Canadian Equity Fund #650	732,021	76,639
19Apr00	Mosaic Travel & Tours Inc. - Common Shares	459,200	820,000
26Apr00	NetScout Capital Corp. - Special Warrants	150,000	500,000
20Apr00	NewKidCo International Inc. - Common Shares	2,227,200	2,227,200
28Apr00	Nexus North American Balanced Fund - Units	11,500	1,125
03Apr00	NHA Secured Trust - 6.59% Series 2000-1 Secured Bonds due April 15, 2003	$32,064,000	$32,064,000
03Apr00	NHA Secured Trust - 6.63% Series 2000-1 Secured Bonds due April 15, 2004	$4,998,800	$4,998,800
03Apr00	NHA Secured Trust - 6.65% Series 2000-1 Secured Bonds due January 15, 2005	$5,045,000	$5,045,000
30Apr00	Orezone Resources Inc. - Flow-Through Class A Shares and Units	100,000' 150,000	333,333, 500,000
01May00 to 05May00	Putnam Canadian Global Trusts - Trust Units	932	92
24Apr00 to 28Apr00	Putnam Canadian Global Trusts - Trust Units	314	30
18Apr00 to 20Apr00	Putnam Canadian Global Trusts - Trust Units	216	21
03Apr00	Rampart Mercantile Inc. - Common Shares	2,527,020	417,000
04Jan00 to 31Mar00	RTCM Diversified Fund - Units	5,474,566	306,506
04Jan00 to 31Mar00	RTCM Government of Canada Money Market Fund - Units	4,250,000	425,000
04Jan00 to 31Mar00	RTCM Canada Plus Equity Fund - Units	21,652,254	1,159,140
04Jan00 to 31Mar00	RTCM Global Bond Fund - Units	314,286	30,995
04Jan00 to 31Mar00	RTCM Small Capitalization Fund - Units	22,272,740	1,026,330
04Jan00 to 31Mar00	RTCM Canadian Equity Fund - Units	201,388,946	1,817,482
04Jan00 to 31Mar00	RTCM Balanced Fund - Units	53,869,420	3,038,238
04Jan00 to 31Mar00	RTCM Global Equity Fund - Units	6,257,425	387,264
04Jan00 to 31Mar00	RTCM Bond Fund - Units	104,297,769	2,481,607
04Jan00 to 31Mar00	RTCM Canadian Income Fund - Units	221,493	22,801
04Jan00 to 31Mar00	RTCM Money Market Fund - Units	530,175,242	3,017,524
04Jan00 to 31Mar00	RTCM International Equity Fund - Units	107,469,573	1,675,461

Trans. Date	Security	Price ($)	Amount
04Jan00 to 31Mar00	RTCM American Equity Fund - Units	8,700,019	470,875
04Jan00 to 31Mar00	RTCM US Equity Value Fund - Units	31,055,051	533,597
04Jan00 to 31Mar00	RTCM US Equity Growth Fund - Units	52,243,728	740,283
19Apr00	SMC Equity Partners Limited Partnership 2000 - Units	178,800	1,788
06Apr00	SNT-Satcomm Networking Technology Inc. - Special Units	200,001	117,648
17Apr00	Spectra Diagnostics Inc. - Common Shares	1,800,000	500,000
30Apr00	Stirling Strategic Asset Allocation Pooled Trusts - Units	1,044,940	10,449
27Apr00	Taltal Gold Corp. - Units	350,000	1,300,000
27Apr00	Taltal Gold Corp. - Units	1,425,000	285
01May00 to 05May00	Trimark Mutual Funds - Mutual Fund Units (See document for individual fund names)	6,802,222	827,208
24Apr00 to 28Apr00	Trimark Mutual Funds - Mutual Fund Units (See document for individual fund names)	5,012,360	578,394
28Apr00	Weda Bay Minerals Inc. - Common Shares	6,061,552	5,061,552
25Feb00	Wysdom Inc. - Special Warrants - Amended	US$27,276,255	2,392,654
26Apr00	Xcel Management, Inc. - Common Shares	675,310	142,857
14Feb00 to 20Mar00	YMG Emerging Companies Fund - Units	217,800	6,409
25Apr00	YMG Emerging Companies Fund - Units	155,027	5,036

Resale of Securities - (Form 45-501f2)

Date of Resale	Date of Orig. Purchase	Seller	Security	Price ($)	Amount
24Mar00		Elliot & Page	Basis 100 Inc. - Special Warrants	1,700,000	100,000
20Apr00	10Mar98	Investors Group Trust Co. Ltd. as Trust for IG Sceptre Canadian Balanced Fund	Dundee Realty Corporation - Common Shares	91,300	83,000
20Apr00	10Mar98	Investors Group Trust Co. Ltd. as Trust for IG Sceptre Canadian Balanced Fund	Dundee Realty Corporation - Common Shares	242,000	220,000
21Apr00		Bissett & Associates Investment Management Ltd.	Mobile Computing Corporation - Special Warrants	150,000	30,0000
20Mar00		Triax Investment Management Ltd.	Tecsys Inc. - Special Warrants	3,240,000	90,000

Reports Made under Subsection 5 of Subsection 72 of the Act with Respect to Outstanding Securities of a Private Company That Has Ceased to Be a Private Company -- (Form 22)

Name of Company	Date the Company Ceased to be a Private Company
Command Drilling Corporation	28Apr00
NRG Group Inc., The	09Mar00

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

Seller	Security	Amount
532141 Ontario Limited	Brampton Brick Limited - Class A Subordinate Voting Shares	100,000
Melnick, Larry	Champion Gold Resources Inc. - Subordinate Voting Shares and Multiple Voting Shares	98,824, 100,000 Resp.
Baran, Steve	Meridian Resources Inc. - Shares	4,500,000
Franklin, C. H.	NSR Resources Inc. - Common Shares	5,510,295
Shefsky, Alan L.	Pele Mountain Resources Inc. - Common Shares	454,000
Faye, Michael R.	Spectra Inc. - Common Shares	200,000
Malion, Andrew J.	Spectra Inc. - Common Shares	195,000
Hawkins, Stanley	Tandem Resources Ltd. - Common Shares	2,000,000
Franklin, C. H.	Tintina Mines Ltd. - Common Shares	3,984,941

Chapter 9

Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Book4golf.com Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 23rd, 2000
Mutual Reliance Review System Receipt dated May 24th, 2000
Offering Price and Description:
$20,152,500 - 1,343,500 Common Shares and 671,750 Common Shares Purchase Warrants issuable upon the exercise of 1,343,500 Special Units
Underwriter(s), Agent(s) or Distributor(s):
Yorkton Securities Inc.
Promoter(s):
Phillip DeLeon
Sheldon Pollack
Project #269706

Issuer Name:
Bro-X Minerals Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated May 16th, 2000
Mutual Reliance Review System Receipt dated May 17th, 2000
Offering Price and Description:
$750,000 to $2,200,000 - 22,000,0000 Common Shares and rights to subscribe for a maximum of 22,000,000
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #264031

Issuer Name:
CPL Long Term Care Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 23rd, 2000
Mutual Reliance Review System Receipt dated May 23rd, 2000
Offering Price and Description:
$ * - * % Convertible Unsecured Subordinated Debentures due 2005
Underwriter(s), Agent(s) or Distributor(s):
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Trilon Securities Corporation
Promoter(s):
N/A
Project #269330

Issuer Name:
CARS4U.com Ltd.
Type and Date:
Preliminary Prospectus dated May 19th, 2000
Receipted May 23rd, 2000
Offering Price and Description:
1,450,000 Common Shares Issuable upon the Exercise of Previously Issued Special Warrants
Underwriter(s), Agent(s) or Distributor(s):
Shimmerman Penn Burns Becker
Promoter(s):
Ronald M. Rubinoff
Edward Sunshine Q.C.
Frederick W. Steiner
Project #268525

Issuer Name:
Command Drilling Corporation
Principal Regulator - Alberta
Type and Date:
Amendment #1 to Preliminary Prospectus dated May 16th, 2000
Mutual Reliance Review System Receipt Received May 17th, 2000
Offering Price and Description:
$22,000,000 - 11,000,000 Units
Underwriter(s), Agent(s) or Distributor(s):
Emerging Equities Inc.
National Bank Financial Inc.
Salman Partners Inc.
Promoter(s):
J. C. McBean
James B. Hartwell
Project #260060

Issuer Name:
Creststreet 2000 Limited Partnership
Creststreet Resource Fund Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 19th, 2000
Mutual Reliance Review System Receipt dated May 23rd, 2000
Offering Price and Description:
$3,000,000 to $5,000,000 - Limited Partnership Units
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #269171 & 269184

Issuer Name:
Delicious Alternative Desserts Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 17th, 2000
Mutual Reliance Review System Receipt dated May 19th, 2000
Offering Price and Description:
$12,299,236 - 61,496,180 Common Shares issuable on conversion of Special Warrants - $2,750,000 in principal amount Debentures and 11,000,000 Shares Purchase Warrants issuable on conversion of Series II Special Notes
Underwriter(s), Agent(s) or Distributor(s):
Yorkton Securities Inc.
Promoter(s):
Robert C. Harrison
Henry A. Morton
W. T. David Murray
Project #266234

Issuer Name:
Dow Jones Internet Index℠ Trust, 2000 Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 16th, 2000
Mutual Reliance Review System Receipt dated May 17th, 2000
Offering Price and Description:
Mutual Funds Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
First Defined Portfolio Management Inc.
Promoter(s):
First Defined Portfolio Management Inc.
Project #265884

Issuer Name:
e-Health Ventures Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 17th, 2000
Mutual Reliance Review System Receipt dated May 18th, 2000
Offering Price and Description:
$ * - * LP Units
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #266751

Issuer Name:
EcomPark Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 17th, 2000
Mutual Reliance Review System Receipt dated May 23rd, 2000
Offering Price and Description:
$57,500,000 - 23,000,000 Common Shares issuable upon exercise of 23,000,000 Special Warrants and $3,150,000 Common Shares and 1,575,000 Warrants issuable upon exerices of 3,150,000 Special Warrants
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #268539

Issuer Name:
EnerVest FTS Limited Partnership 2000
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated May 16th, 2000
Mutual Reliance Review System Receipt dated May 17th, 2000
Offering Price and Description:
$5,000,000 to $20,000,000 - 200,000 to 800,000 Limited Partnership Units
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #266015

Issuer Name:
MacDonald Dettwiler & Associates Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated May 18th, 2000
Mutual Reliance Review System Receipt dated May 23rd, 2000
Offering Price and Description:
$ * - * Common Shares
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N/A
Project #268481

Issuer Name:
N-45° First CMBS Issuer Corporation
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated May 12th, 2000
Mutual Reliance Review System Receipt dated May 17th, 2000
Offering Price and Description:
N/A
Underwriter(s), Agent(s) or Distributor(s):
Merrill Lynch Canada Inc.
Scotia Capital Inc.
Promoter(s):
Hypotheques CDPQ Inc.
Project #265434

Issuer Name:
Nortran Pharmaceuticals Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated May 15th, 2000
Mutual Reliance Review System Receipt dated May 17th, 2000
Offering Price and Description:
N/A
Underwriter(s), Agent(s) or Distributor(s):
Dlouhy Investments Inc.
Goepel McDermid Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
N\A
Project #265613

Issuer Name:
Phillips, Hager & North Total Return Bond
Phillips, Hager & North High Yield Bond Fund
Principal Regulator - British Columbia
Type and Date:
Preliminary Simplified Prospectus dated May 16th, 2000
Mutual Reliance Review System Receipt dated May 17th, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Phillips, Hager & North Investment Management Ltd.
Promoter(s):
Phillips, Hager & North Investment Management Ltd.
Project #265604

Issuer Name:
SignalGene Inc.
Principal Regulator- Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 19th, 2000
Mutual Reliance Review System Receipt dated May 23rd, 2000
Offering Price and Description:
$ * - * Common Shares
Underwriter(s), Agent(s) or Distributor(s):
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Yorkton Securities Inc.
Promoter(s):
N/A
Project #269056

Issuer Name:
Union Gas Limited (NP#44 - Shelf)
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 17th, 2000
Mutual Reliance Review System Receipt dated May 18th, 2000
Offering Price and Description:
$* Debt Securities (unsecured)
Underwriter(s), Agent(s) or Distributor(s):
N/A
Promoter(s):
N\A
Project #266247

Issuer Name:
Strategic Value World Balanced RSP Fund
Strategic Value Europe RSP Fund
O'Donnell U.S. Mid-Cap RSP Fund
O'Donnell World Equity RSP Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 10th, 2000 to Simplified Prospectus and Annual Information Form dated November 29th, 1999
Mutual Reliance Review System Receipt dated 19th day of May, 2000
Offering Price and Description:
Mutual Fund Securities- Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Bonham & Co. Inc.
Promoter(s):
SVC O'Donnell Funds Management Inc.
Project #211352

Issuer Name:
Strategic Value Money Market Fund
Strategic Value Government Bond Fund
Strategic Value Income Fund
Strategic Value Dividend Fund Ltd.
Strategic Value Canadian Balanced Fund
Strategic Value Global Balanced RSP Fund
Strategic Value World Balanced Fund
Strategic Value Commonwealth Fund Ltd.
Strategic Value Canadian Equity Fund Ltd. (Formerly Strategic Canadian Equity Fund)
Strategic Value Canadian Equity Value Fund
Strategic Value Canadian Small Companies Fund
Strategic Value American Equity Fund Ltd.
Strategic Value International Fund Ltd.
Strategic Value Europe Fund
Strategic Value Asia and Emerging Markets Fund
O'Donnell Money Market Fund
O'Donnell High Income Fund
O'Donnell U.S. High Income Fund
O'Donnell Balanced Fund
O'Donnell Growth Fund
O'Donnell Canadian Emerging Growth Fund
O'Donnell Canadian Large-Cap Fund
O'Donnell American Sector Growth Fund
O'Donnell U.S. Mid-Cap Fund
O'Donnell World Equity Fund
O'Donnell World Precious Metals Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 10th, 2000 to Simplified Prospectus and Annual Information Form dated December 29th, 1999
Mutual Reliance Review System Receipt dated 19th day of May, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Promoter(s):
Project #232107

Issuer Name:
ID Biomedical Corporation
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated May 17th, 2000
Mutual Reliance Review System Receipt dated 23rd day of May, 2000
Offering Price and Description:
3,636,364 Common Shares and 1,818,182 Common Share Purchase Warrants
Underwriter(s), Agent(s) or Distributor(s):
Haywood Securities Inc.
Yorkton Securities Inc.
Dlouhy Investments Inc.
Promoter(s):
N/A
Project #250440

Issuer Name:
iWave.com, Inc.
Type and Date:
Final Prospectus dated May 18th, 2000
Receipted 23rd day of May, 2000
Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):
Taurus Capital Markets Ltd.
Promoter(s):
Cindy Burton
Project #255501

Issuer Name:
Aliant Inc.
Principal Regulator - Nova Scotia
Type and Date:
Final Short Form Prospectus dated May 17th, 2000
Mutual Reliance Review System Receipt dated 17th day of May, 2000
Offering Price and Description:
$200,072,000.00 - 5,620,000 Common Shares
Underwriter(s), Agent(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Promoter(s):
N/A
Project #263810

Issuer Name:
Enbridge Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 17th, 2000
Mutual Reliance Review System Receipt dated 17th day of May, 2000
Offering Price and Description:
$147,375,000.00 - 4,500,000 Common Shares
Underwriter(s), Agent(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
Goepel McDermid Inc.
Goldman Sachs Canada Inc.
Deutsche Bank Securities Limited
Promoter(s):
N/A
Project #263331

Issuer Name:
Merrill Lynch Mortgage Loans Inc. (NP #44 - PREP)
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 18th, 2000
Mutual Reliance Review System Receipt dated 18th day of May, 2000
Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):
Merrill Lynch Canada Inc.
Promoter(s):
Merrill Lynch Canada Inc.
Project #263273

Issuer Name:
Royal Select Choices Income Portfolio
Royal Select Choices Balanced Portfolio
Royal Select Choices Growth Portfolio
Royal Select Choices Aggressive Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated May 16th,2000
Mutual Reliance Review System Receipt dated 17th day of May, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Registered Dealer
Promoter(s):
Royal Mutual Funds Inc.
Project #238053

Issuer Name:
Tradex Equity Fund Limited
Tradex Bond Fund
Tradex Global Equity Fund
Tradex Canadian Growth Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated May 16th, 2000
Mutual Reliance Review System Receipt dated 17th day of May, 2000
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s), Agent(s) or Distributor(s):
Tradex Management Inc.
Promoter(s):
Tradex Equity Fund Limited
Project #253876

Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
Change of Name	Bioscience Managers (Canada) Limited Attention: Michael Forer 3 Duplex Avenue Suite 105 North York, Ontario M2M 4G6	From: Bioscience Managers Limited To: Bioscience Managers (Canada) Limited	April 14/00
New Registration	Dresdner RCM Global Investors LLC Attention: Ronald M. Kosonic 181 Bay Street, Suite 1800 Toronto, Ontario M5J 2T9	International Adviser Investment Counsel & Portfolio Manager	May 17/00

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1 SRO Notices and Disciplinary Decisions

13.1.1 Derivative Services Inc. and Robert Kyle

NOTICE TO PUBLIC RE: PENALTY HEARING

May 23, 2000

RE: IN THE MATTER OF DERIVATIVE SERVICES INC. and IN THE MATTER OF ROBERT KYLE

Toronto, Ontario – The Investment Dealers Association of Canada announced today that a date has been set for a hearing before the Ontario District Council of the Association to determine what disciplinary penalties should be imposed in respect of misconduct on the part of Derivative Services Inc. ("DSI"), a Member of the Association, and Robert Kyle, President and CEO of DSI.

The hearing is scheduled to commence at **9:30 a.m.** on **Wednesday, June 7, 2000,** at the Association's offices located at 1600 – 121 King Street West, Toronto, Ontario. The hearing is open to the public except as may be required for the protection of confidential matters.

Once the District Council determines what disciplinary penalties are to be imposed on DSI and Mr. Kyle, the Association will issue an Association Bulletin giving notice of the discipline penalties assessed, and details of the facts of the case and the regulatory violation(s) committed by DSI and Mr. Kyle. Copies of the Association Bulletin and the Decision of the District Council will be made available.

Contact:

Kathleen O'Brien
Public Affairs Co-ordinator
(416) 943-6921

13.1.2 George Georgiou - Discipline Penalties Imposed on Violation of Various Regulations

BULLETIN #2727

May 18, 2000

DISCIPLINE PENALTIES IMPOSED ON GEORGE GEORGIOU - VIOLATION OF VARIOUS REGULATIONS

Person Disciplined

The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on **George Georgiou**, at the relevant times a Registered Representative with the Kitchener branch of Midland Walwyn Capital Inc., now Merrill Lynch Canada Inc., a Member of the Association, and the Kitchener branch of Levesque Securities Ltd., now National Bank Financial Ltd., a Member of the Association.

By-laws, Regulations, Policies Violated
On May 18, 2000, the District Council considered, reviewed and accepted a Settlement Agreement that had been negotiated by the Association Enforcement Division staff with Mr. Georgiou. Under the Settlement Agreement Mr. Georgiou did not contest the facts that he:

(i) effected discretionary trades in client accounts without the prior knowledge or written authorization of the clients and without such client accounts having been specifically approved and accepted in writing as discretionary accounts by the designated person of the Members, Midland Walwyn Capital Inc. and Levesque Securities Ltd., contrary to Regulation 1300.4(a) and (b);

(ii) effected short sales in client accounts without first obtaining signed margin agreements from the clients, contrary to Regulation 200.1(i)(2);

(iii) failed to exercise due diligence in respect of client accounts to ensure that trading recommendations made in those client accounts were appropriate for the clients and in keeping with the clients' respective investment objectives, contrary to Regulation 1300.1(c);

(iv) failed to obtain a properly executed trading authorization over one client account in favour of a third party, contrary to Regulation 200.1(i)(3); and engaged in business conduct unbecoming or detrimental to the public interest, contrary to IDA By-law 29.1 in that he:

- either borrowed monies from or loaned monies to clients;
- entered into financial arrangements to privately settle complaints in client accounts without the

knowledge, consent or authorization of the Member firm;

- effected unauthorized short sales in client accounts while under restrictions from the Member, Midland Walwyn Capital Inc., not to conduct short sales without obtaining prior manager approval; and
- provided a client with false or misleading information regarding the client's account.

Penalty Assessed

The discipline penalty assessed against Mr. Georgiou is an Order of a fine of $50,000 to be paid to the Association within four months of the date of acceptance of this Settlement Agreement by the District Council. Also, Mr. Georgiou is suspended from receiving approval from acting in any registered capacity with any Member of the Association for a period of ten years, commencing January 31, 1995 till January 31, 2005. Then, if Mr. Georgiou ever seeks re-registration for approval with the Association, he must re-write and pass the Conduct and Practices Handbook examination administered by the Canadian Securities Institute within ninety days prior to the submission of an application for such approval. Evidence of successful completion must be provided to the Association within thirty days thereafter. Then, if approved, he would be subject to a condition of strict supervision for a period of three years following and the employing Member shall be required to complete and submit monthly supervision reports on a timely basis to the Registration Department of the Association. Mr. Georgiou is required to pay $15,000 toward the Association's costs of investigation of this matter within 90 days of the acceptance of the agreement by the District Council.

Summary of Facts

George Georgiou was a Registered Representative in the securities industry with a Member of the Association from January 6, 1989 to January 27, 1995. He was twenty years old when he joined the Kitchener branch of Midland Walwyn Capital Inc., now Merrill Lynch Canada Inc., and worked there from June 1990 to November 1993. He then moved to the Kitchener branch office of Levesque Securities Ltd., now National Bank Financial Ltd., also a Member of the Association. He worked at Levesque Securities Ltd. from November of 1993 until January 27, 1995.

Mr. Georgiou has admitted that, between January 22, 1993 to November 19, 1993, he committed numerous violations against the Association's By-laws and Regulations. As a result, he was charged with thirty counts of offences against the Association's By-laws and Regulations, which he has settled by agreement with the Association. For a detailed description of the offences, please see the Settlement Agreement of George Georgiou, which was ratified by the District Council on May 18, 2000.

Susanne M. Barrett
Association Secretary

13.1.3 George Georgiou - Settlement Agreement

IN THE MATTER OF DISCIPLINE ACTION PURSUANT TO BY-LAW 20 OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA

RE: GEORGE GEORGIOU

SETTLEMENT AGREEMENT

Pursuant to By-law 20.25 of the Investment Dealers Association of Canada ("the Association") the Respondent, **George Georgiou**, agrees and consents to the following:

I. SUMMARY OF FACTS

1. George Georgiou (the "Respondent") has been a Registered Representative in the securities industry with a Member of the Association from January 6, 1989 to January 27, 1995. His work history is as follows:

   Walwyn Stogell Cochran Murray Ltd. (Kitchener, Ont.)
   Jan 6 '89 to Jun 1'90
   Midland Walwyn Capital Inc.* (Kitchener, Ont.)
   Jun 1'90 to Nov 19 '93
   Levesque Securities Inc. (Kitchener, Ont.)
   Nov 24 '93 to Jan 27 '95

   (*"Midland", now Merrill Lynch Canada Inc.)

Midland

Peter and Barbara Wurtele (the "Wurteles")

1. The Wurteles opened a joint margin account at Midland which at all material times was handled by the Respondent.

2. On or about March 24, 1993, the Respondent wrote a cheque to the Wurteles for $20,000 to cover a margin call in their joint margin account.

3. On or about July 30, 1993, the Respondent loaned the Wurteles a further $45,000 to cover a margin call in their joint margin account.

4. On or about September 2, 1993, the Wurteles re-paid the Respondent $10,000 of the monies loaned to them.

5. The Conduct and Practices Handbook –General Rules of Conduct, Part C(1)(iii) *Guidelines to Appropriate Dealings with Clients*, states that a Registered Representative should avoid personal financial dealings with clients, including the lending of money to and the borrowing of money from them. By personally lending money to the Wurteles, the Respondent engaged in business conduct or practice which is unbecoming or detrimental to the public interest, contrary to By-law 29.1.

Hildegard Benik ("Benik")

7. Benik opened a cash and an RRSP account with Midland on August 19, 1988 with an investment objective of 100% income. She was a housewife with no prior investment

experience. The Respondent began handling her accounts around September 1990. In 1992, Benik's husband passed away. In June 1993, a U.S. cash account was opened for Benik by the Respondent.

8. On July 16, 1993, Benik wrote the Respondent a letter stating that preservation of capital was her first and foremost investment objective. Her second investment priority was income and her third priority was growth, but she emphasized that her accounts were to be invested conservatively. This letter was signed by both Benik and her son, Norbert Benik.

9. The Respondent failed to update the account documentation to reflect Benik's investment objectives as outlined in her letter of July 16, 1993, contrary to Regulation 1300.1(a).

10. The Respondent claims that at all material times, he took trading instructions from either Benik or Norbert Benik. However, trading authorization over Benik's account was never granted in writing to Norbert Benik.

11. The Respondent engaged in discretionary trading in the Benik's account without obtaining Benik's prior written authorization and without such account being approved and accepted in writing as a discretionary account by the person designated by the Member, contrary to Regulation 1300.4 (a) and (b). The alleged discretionary trades include the following:

Short sale of 1,500 shares	Acclaim Entertainment	August 25, 1993
Short sale of 1,000 shares	Coventry Corp.	September 7, 1993
Closing purchase of 1,500 shares	Acclaim Entertainment	October 7, 1993

12. The Respondent effected the three short sale-related transactions involving Acclaim Entertainment and Coventry Corp. in Benik's account without first obtaining a signed margin agreement from Benik, contrary to Regulation 200.1(i)(2).

13. Midland permitted a U.S. margin account to be opened for Benik without first obtaining a signed margin agreement from Benik.

14. Benik claims that she did not know what a margin was, nor was she aware that the Respondent had opened a U.S. margin account for her in August 1993 specifically to facilitate the short sale-related transactions. The three short sale-related transactions were not suitable for Benik and were not in keeping with her stated investment objectives, contrary to Regulation 1300.1(c).

15. The three short sale-related transactions in Benik's account involving Acclaim Entertainment and Coventry Corp. were reversed by Midland on or about November 22, 1993.

Isabel Hetherington ("Hetherington")

16. Hetherington opened a Canadian and U.S. cash account with Midland on September 10, 1992, which was at all material times handled by the Respondent.

17. The Respondent engaged in discretionary trading in the Hetherington's account without obtaining Hetherington's prior written authorization and without such account being approved and accepted in writing as a discretionary account by the person designated by the Member, contrary to Regulation 1300.4(a) and (b). The alleged discretionary trades include the following:

Short sale of 1,500 shares	Acclaim Entertainment	August 25, 1993
Short sale of 1,000 shares	Coventry Corp.	September 7, 1993
Closing purchase of 1,500 shares	Acclaim Entertainment	October 7, 1993

18. The Respondent effected the three short sale-related transactions involving Acclaim Entertainment and Coventry Corp. in Hetherington's U.S. account without first obtaining a signed margin agreement from Hetherington, contrary to Regulation 200.1(i)(2).

19. Midland permitted a U.S. margin account to be opened for Hetherington without first obtaining a signed margin agreement from Hetherington.

20. Hetherington claims that she was not aware that the Respondent had opened a U.S. margin account for her in August 1993 specifically to facilitate the short sale-related transactions.

21. The Respondent claims that he spoke to Hetherington regarding the short sale transactions the month prior but did not obtain specific instructions as to price and quantity on the day the trade was executed.

22. The three short sale-related transactions in Hetherington's account involving Acclaim Entertainment and Coventry Corp. were reversed by Midland in January, 1994.

Christine Lynda Brokenshire ("Brokenshire")

23. Brokenshire opened a cash and an RRSP account with Midland on January 23, 1992, which was at all material times handled by the Respondent. Brokenshire's annual income was less than $25,000 and her stated investment objectives were 50% income and 50% long term growth.

24. The Respondent effected the following transactions in Brokenshire's account:

Short sale of 1,500 shares	Acclaim Entertainment	August 25, 1993
Short sale of 1,000 shares	Coventry Corp.	September 7, 1993
Closing purchase of 1,500 shares	Acclaim Entertainment	October 7, 1993

25. The Respondent was able to effect the three short sale-related transactions involving Acclaim Entertainment and Coventry Corp. in Brokenshire's account without first obtaining a signed margin agreement from Brokenshire, contrary to Regulation 200.1(i)(2).

26. Midland permitted a U.S. margin account to be opened for Brokenshire without first obtaining a signed margin agreement from Brokenshire.

27. Brokenshire claims that she did not know what a short sale was, nor was she aware that the Respondent has opened a U.S. margin account for her in August 1993 specifically to facilitate the short sale-related transactions. The three short sale-related transactions were not suitable for Brokenshire and were not in keeping with her stated investment objectives, contrary to Regulation 1300.1(c).

28. The three short sale-related transactions in Brokenshire's account were reversed by Midland on or about February 4, 1994.

Dennis and Ruth Painting (the "Paintings")

29. The Paintings opened a cash account with Midland on or about March 6, 1990, and a U.S. margin account on or about June 8, 1992. At all material times, their accounts were handled by the Respondent.

30. The Respondent effected the following trades in the Paintings' U.S. margin account:

Short sale of 1,500 shares	Acclaim Entertainment	August 25, 1993
Closing purchase of 1,500 shares	Acclaim Entertainment	October 7, 1993

31. The short sales-related transactions involving Acclaim Entertainment were reversed by Midland in January 1994.

John and Freda Szalay (the "Szalays")

32. The Szalays opened a joint with Midland on May 16, 1993 with the investment objective of 100% long term growth and approximately $160,000 available for investment. They opened a joint U.S and Canadian margin account on October 7, 1993 with the investment objectives of 50% income and 50% long term growth. At all material times, their accounts were handled by the Respondent.

33. The Szalays instructed the Respondent that their investments in the U.S. market were not to exceed $50,000 and were to be restricted to American blue chip stocks.

34. The Respondent effected the following trades in the Szalays' U.S. margin account:

Purchase of 5,000 shares	Roadmaster	October 5, 1993
Purchase of 500 shares	Acclaim Entertainment	October 8, 1993
Purchase of 2,000 shares	Suclus Computer	October 12, 1993
Purchase of 2,000 shares	Nu Horizon	October 18, 1993
Purchase of 1,000 shares	Platinum	October 19. 1993

35. The trades effected by the Respondent resulted in the allocation of approximately $105,000 of the Szalays' total investment in the U.S. market, contrary to their expressed instructions. The Respondent thereby failed to exercise due diligence to ensure that the trade recommendations for the Szalays' account were suitable and in keeping with their stated investment objectives, contrary to Regulation 1300.1(c).

36. The Szalays sold out the positions in their U.S. margin account on January 12, 1994 and the Szalays were compensated by Midland for 50% of their losses.

William Nordick ("Nordick")

37. Nordick opened a U.S. cash account with Midland on August 10, 1992 with the investment objective of 100% long term growth and an initial amount of approximately $50,000 U.S. to invest. On June 9, 1993, Nordick opened a U.S. margin account with the investment objective of 100% long term growth. At all material times, Nordick's accounts were handled by the Respondent.

38. The Respondent effected the following trades in Nordick's U.S. margin account:

Purchase of 3,000 shares	Aztar	January 22, 1993
Short sale of 1,500 shares	Acclaim Entertainment	August 25, 1993
Closing purchase of 1,500 shares	Acclaim Entertainment	October 7, 1993
Purchase of 5,000 shares	Suclus Computer	October 8, 1993

39. The trading activity effected by the Respondent in Nordick's U.S. margin account did not accord with the investment objective stated on the account documentation. The Respondent thereby failed to exercise due diligence to learn the essential facts relative to the client and the client account, contrary to Regulation 1300.1(a).

Kimberly Nordick ("K. Nordick")

40. K. Nordick is the daughter of Nordick, referred to above. A U.S. cash account was opened for K. Nordick with Midland on January 22, 1993, with trading authorization over the account granted to Nordick through a Limited Power of Attorney. K. Nordick's investment objectives for the account were 50% long term growth and 50% short term trading. K. Nordick had approximately $114,000 U.S. to invest. Her estimated annual income was between $25,000 to $50,000 and her net worth was between $100,000 to $200,000.

41. On August 3, 1993, a U.S. margin account was opened for K. Nordick with the investment objective of 50% long term growth and 50% short term trading. At all material times, K. Nordick's accounts were handled by the Respondent.

42. The Respondent effected the following trades in K. Nordick's U.S. margin account:

Short sale of 1,500 shares	Acclaim Entertainment	August 25, 1993
Closing purchase of 1,500 shares	Acclaim Entertainment	October 7, 1993
Purchase of 10,000 shares	Atmel Corp.	October 21, 1993
Sale of 10,000 shares	Atmel Corp.	October 22, 1993

43. The purchase of the 10,000 shares of Atmel Corp. was effected by the Respondent at $22.25/share for a total purchase price of $223,100.81 plus $600.43 commission. The Respondent effected the sale of these shares the next day at $24.96/share for a total sales price of $249,607.84 plus $641.78 commission.

44. While the purchase and sale of the shares of Atmel Corp. resulted in a net profit of $26,500 (less $1,242.21 commission), the transactions were unduly risky, unsuitable and not in keeping with K. Nordick's investment objectives, contrary to Regulation 1300.1(c). K. Nordick's U.S. margin account had an equity of $87,000 and a margin excess of only $11,000 immediately prior to the purchase transaction. A margin requirement of approximately $125,000 U.S. would have been required for this day trade.

45. The short sale-related transactions involving Acclaim Entertainment were also unsuitable for K. Nordick and were not in keeping with her stated investment objectives, contrary to Regulation 1300.1(c).

I. Midland Restrictions

46. Restrictions had been placed on the Respondent's trading activities as of August 24, 1990, by Mr. Ross Beatty ("Beatty"), the Branch Manager of the Kitchener branch office at the time. Further restrictions were added to Beatty's trading restrictions on June 26, 1992 by Mr. Peter Chandler ("Chandler"), the Branch Manager of the Kitchener office following Beatty. These restrictions were contained in written memoranda that were kept in the Respondent's file at the branch office and copied to Head Office Compliance Department.

47. The restrictions imposed on the Respondent included, among other things, a prohibition from opening new margin accounts or purchases in existing margin accounts and a prohibition against short sales without prior manager approval. The Respondent was also specifically cautioned in writing on June 9, 1991 regarding discretionary trading and the suitability of trade recommendations in his client accounts.

48. Despite the restrictions imposed, the Respondent conducted short sales involving Acclaim Entertainment in 6 client accounts and short sales involving Coventry Corp. in 3 client accounts without obtaining prior manager approval. The Respondent thereby engaged in business conduct or practice which is unbecoming or detrimental to the public interest, contrary to By-law 29.1.

49. The Respondent's employment with Midland was terminated for cause on November 19, 1993, for failing to advise Midland promptly of a client dispute and for unsuitable trading.

Gale Blackburn ("Blackburn")

50. Blackburn opened an account with Walwyn Stodgell Cochran Murray Ltd. on November 7, 1989. Trading authorization over the account was granted to Blackburn's husband, Mr. Robert Blackburn. On January 17, 1992, new account documentation for Midland was signed by Blackburn which indicated that her investment objective was 100% long term growth. The updated account documentation indicated that no other person had authority over or financial interest in Blackburn's account.

51. The Respondent engaged in a discretionary trade in Blackburn's account without obtaining prior written authorization from Blackburn and without such account being approved and accepted in writing as a discretionary account by the person designated by the Member, contrary to Regulation 1300.4(a) and (b).

52. The discretionary trading in Blackburn's account at Midland involved the purchase by the Respondent of 10,000 shares of Kulicke & Soffa Industries Inc. on November 16, 1993.

53. The Respondent claims that he received verbal instructions from Robert Blackburn in relation to the purchase of Kulicke & Soffa shares.

54. On or about November 22, 1993, the Respondent gave Robert Blackburn a letter stating that the purchase of the Kulicke & Soffa shares in Blackburn's account was unauthorized. The Respondent guaranteed that Blackburn would not lose money on the transaction and he requested that Blackburn continue to carry the stock in her margin account to allow the stock to rebound.

55. In January 1994, Blackburn to transfer her accounts to Levesque Securities Inc. ("Levesque") continue to be handled by the Respondent at his new employment.

56. The transfer of Blackburn's account could not be effected immediately due to the margin deficit balance in her U.S. margin account. The Respondent loaned Blackburn $15,000 towards covering the margin deficit. The Respondent was eventually repaid $5,000 by Blackburn.

57. The Conduct and Practices Handbook –General Rules of Conduct, Part C(1)(iii) *Guidelines to Appropriate Dealings with Clients*, states that a Registered Representative should avoid personal financial dealings with clients, including the lending of money to and the borrowing of money from them. By personally lending money to Blackburn, the Respondent engaged in business conduct or practice which is unbecoming or detrimental to the public interest, contrary to By-law 29.1.

LEVESQUE SECURITIES

Blackburn (continued)

58. Around February 1994, the Respondent obtained permission from Robert Blackburn to trade Blackburn's account on a discretionary basis in order to re-coup previous losses suffered in the account. The Respondent guaranteed that he would make payments of $10,000 per month and that he would return the account balance to its original level of $40,000 U.S. by April 1, 1995.

59. On or about August 10, 1994, the terms of the guarantee previously given by the Respondent to Robert Blackburn were reduced to writing and a payment schedule was drawn up and signed by both the Respondent and Robert Blackburn.

60. The Respondent was not able to keep up with the terms of the payment schedule as set out in the August 10, 1994 agreement.

61. On or about December 29, 1994, the Respondent provided Robert Blackburn with a letter guaranteeing that Blackburn's U.S. accounts would be worth at least $50,000 U.S. and stating that all transactions in the accounts were conducted on a discretionary basis. In the event that the Respondent was no longer employed by Levesque, the letter was to be submitted to Levesque management.

62. The Respondent effected discretionary trades in Blackburn's account without declaring such trades to have been made on a discretionary basis. The Respondent failed to provide Levesque with written authorization from Blackburn to trade in her account on a discretionary basis and failed to have Blackburn's account approved and accepted in writing as a discretionary account by the designated person at Levesque, contrary to Regulation 1300.4(a) and (b).

63. The Respondent further engaged in business conduct which is unbecoming or detrimental to the public interest by giving guarantees to Blackburn regarding the future value of her accounts and by entering into a private agreement to settle Blackburn's complaint regarding the discretionary trading in her account without the knowledge, consent or authorization of the Member firm, Levesque, contrary to By-law 29.1.

John Matsias ("Matsias")

64. Matsias opened a margin and options account with Levesque on December 22, 1993, which was at all times handled by the Respondent. Matsias was and remains a personal family friend of the Respondent.

65. On October 7, 1994, the Respondent loaned Matsias $15,000, and on January 18, 1995, the Respondent loaned Matsias a further $50,000. Matsias repaid the total $65,000 owing, plus $600 interest accrued at a rate of 8% per annum.

66. The Respondent swore out an affidavit dated May 19, 1995, confirming the information as set out in the above paragraph.

67. The Conduct and Practices Handbook –General Rules of Conduct, Part C(1)(iii) *Guidelines to Appropriate Dealings with Clients*, states that a Registered Representative should avoid personal financial dealings with clients, including the lending of money to and the borrowing of money from them. By personally lending money to Matsias, the Respondent engaged in business conduct or practice which is unbecoming or detrimental to the public interest, contrary to By-law 29.1.

Accumach Holdings ("Accumach")

68. Accumach is a company located in Puslinch, Ontario. At all material times, Gerhard Zmuda was the President and John Gotthartsleitner was the Secretary/Treasurer of Accumach. In December of 1993, a U.S. and Canadian margin account was opened for Accumach with Levesque which was at all times handled by the Respondent.

69. On August 9, 1994, the Respondent provided the officers of Accumach with a letter guaranteeing that the net equity value of the U.S. account would be at least $200,000 by January 1995 and that he would personally provide funds to subsidize any shortfall. In the event that he failed to fulfil the undertaking for any reason, the letter was to be submitted to the senior management at Levesque for full reimbursement.

70. The Respondent was not authorized by Levesque management to give such a guarantee to Accumach, nor did he at any time advise Levesque management that he had done so. The Respondent thereby engaged in business conduct which is unbecoming or detrimental to the public interest, contrary to By-law 29.1

71. By letter dated February 1, 1995, Accumach advised Levesque of losses suffered in its Canadian and U.S. accounts and requested compensation from Levesque in accordance with the Respondent's letter of August 9, 1994, referred to above.

72. Accumach was compensated by Levesque for its losses.

Tech-Hi Holdings Ltd. ("Tech-Hi")

73. Tech-Hi is a company owned and controlled by Jack Hougassien ("Hougassien"). Hougassien initially opened an account for Tech-Hi at Midland which was handled by

the Respondent. Around December 1993, Hougassien transferred the Tech-Hi account to Levesque to be handled by the Respondent.

74. In the 3 month period between November 1, 1994 to January 27, 1995, the Respondent effected 47 transactions in the Tech-Hi account and charged a total of $43,122.83 in commissions (see Schedule "A" attached). The trading activity in the Tech-Hi account effected by the Respondent was excessive and beyond the bounds of good business practice, contrary to Regulation 1300.1(b).

75. On December 13, 1994, the Respondent borrowed $50,000 from Hougassien. The Respondent repaid this loan on January 5, 1995.

76. On January 6, 1995, the Respondent borrowed a further $60,000 from Hougassien, and on January 10, 1995, the Respondent borrowed a further $110,000, for a total of $170,000.

77. On January 10, 1995, the Respondent gave Hougassien a letter confirming that he had borrowed a total of $170,000 from Hougassien and promising that he would repay the amount in full by January 27, 1995. He also pledged various personal assets as collateral for the loan.

78. The Respondent failed to repay the $170,000 borrowed funds to Hougassien by January 27, 1995. As a result, Hougassien reported the loan to Levesque and the Respondent's employment was terminated.

79. The Respondent subsequently repaid the $170,000 in full to Hougassien.

80. The Conduct and Practices Handbook –General Rules of Conduct, Part C(1)(iii*) Guidelines to Appropriate Dealings with Clients*, states that a Registered Representative should avoid personal financial dealings with clients, including the lending of money to and the borrowing of money from them. The Respondent thereby engaged in business conduct or practice which is unbecoming or detrimental to the public interest, contrary to By-law 29.1.

II. **Paul and Anna Tuerr (the "Tuerrs")**

81. Paul Tuerr ("Tuerr") initially opened a joint account for his wife and himself with Midland which was at all times handled by the Respondent. On December 20, 1993, Tuerr transferred the joint account to Levesque to continue to be handled by the Respondent. Diane Jones ("Jones"), an employee in Tuerr's construction company, was given trading authorization over the account, however trading instructions were also given by Tuerr. Tuerr was approximately 73 years old at the time his account was transferred to Levesque.

82. In the 3 month period between November 1, 1994 to January 27, 1995, the Respondent effected 76 transactions in Tuerr's accounts and charged a total of $46,240.30 in commissions (see Schedule "B" attached). The trading activity in Tuerr's accounts effected by the Respondent was excessive and beyond the bounds of good business practice, contrary to Regulation 1300.1(b).

83. On November 21, 1994, the Respondent entered into a written agreement with Tuerr stating that he would compensate Tuerr for the losses arising from the unauthorized short sale of Cascade Communications in Tuerr's account by May 31, 1995. As collateral, the Respondent registered a mortgage in favour of Tuerr against the title of his house and his mother's house.

84. On December 9, 1994, the Respondent provided Tuerr with a letter advising that the short position in Cascade Communication had been closed out thereby crystallizing the losses at $130,000.

85. The Respondent failed to pay Tuerr $130,000 by May 31, 1995. As a result, Tuerr reported the matter to Levesque. The Respondent eventually paid Tuerr $80,000 as settlement of the matter.

86. The Respondent engaged in business conduct which is unbecoming or detrimental to the public interest by entering into a private agreement to settle a client complaint without the knowledge, consent or authorization of the Member firm, Levesque, contrary to By-law 29.1.

87. In settling this matter, the Association took into consideration the fact that these events took place over four years ago while the Respondent was between the ages of 21 to 25.

II. **STATUTES OR REGULATIONS THERETO, BY-LAWS, REGULATIONS, RULINGS OR POLICIES NOT COMPLIED WITH:**

The Respondent failed to comply with the By-laws, Regulations or Policies of the Association as follows:

Count #1 to #3

Between January 22, 1993 to November 19, 1993, **George Georgiou** effected discretionary trades in 3 client accounts, namely the accounts of Hildegard Benik, Isabel Hetherington and Gail Blackburn, without the prior knowledge or written authorization of the clients and without such client accounts having been specifically approved and accepted in writing as a discretionary account by the designated person of the Member, **Midland Walwyn Capital Inc.**, contrary to Regulation 1300.4(a) and (b).

Count #4 to #6

Between January 22, 1993 to November 19, 1993, **George Georgiou** effected short sales transactions in 3 client accounts, namely the accounts of Hildegard Benik, Isabel Hetherington and Christine Lynda Brokenshire, without first obtaining signed margin agreements from the clients, contrary to Regulation 200.1(i)(2).

Count #7

Between November 24, 1993 to January 27, 1995, **George Georgiou** effected short sales in 6 client accounts while under restrictions from the Member, **Midland Walwyn Capital Inc.**, which prohibited him from conducting short sales without obtaining prior manager approval, thereby engaging in business conduct which is unbecoming or detrimental to the public interest, contrary to By-law 29.1.

Count #8 to #11

Between January 22, 1993 to November 19, 1993, in respect of 4 client accounts, namely the accounts of Hildegard Benik, Christine Lynda Brokenshire, Kimberly Nordick and John and Freda Szalay, **George Georgiou** failed to exercise due diligence to ensure that trade recommendations made for those accounts were appropriate for the clients and in keeping with the clients' respective investment objectives, contrary to Regulation 1300.1(c).

Count #12 to #15

Between January 22, 1993 to January 27, 1995, **George Georgiou** either borrowed monies from or loaned monies to 4 clients, namely Peter and Barbara Wurtele, Gale Blackburn, John Matsias and Jack Hougassien (Tech-Hi), thereby engaging in business conduct which is unbecoming or detrimental to the public interest, contrary to By-law 29.1.

Count #16 to #17

On or about July 16, 1993, **George Georgiou** failed update the new account documentation with respect to 2 client accounts, namely the accounts of Hildegard Benik and William Nordick, thereby failing to exercise due diligence to learn the essential facts relative to every client and to every order or account accepted, contrary to Regulation 1300.1(a).

Count #18 to #20

Between November 24, 1993 to January 27, 1995, in respect of 3 client accounts, namely the accounts of Gale Blackburn, Paul and Anna Tuerr and Accumach Holdings, **George Georgiou** either provided the clients with written guarantees or entered into personal financial arrangements to privately settle the clients' complaints without the knowledge, consent or authorization of the Member firm, **Levesque Securities Inc.**, thereby engaging in business conduct which is unbecoming or detrimental to the public interest, contrary to By-law 29.1.

Count #21

Between November 1, 1994 to January 27, 1995, **George Georgiou** effected discretionary trades in 1 client account, namely the account of Gail Blackburn, without the prior written authorization of the client and without the client account having been specifically approved and accepted in writing as a discretionary account by the designated person of the Member, **Levesque Securities Inc.**, contrary to Regulation 1300.4(a) and (b).

Count #22

Between November 1, 1994 to January 27, 1995, **George Georgiou** effected 47 transactions in 1 client account, namely the account of Tech-Hi, thereby generating $43,122.83 in commissions. The trading activity in the account was excessive and beyond the bounds of good business practice, contrary to Regulation 1300.1(b).

Count #23

Between November 1, 1994 to January 27, 1995, **George Georgiou** effected 76 transactions in 1 client account, namely the account of Paul and Anna Tuerr, thereby generating $46,240.30 in commissions. The trading activity in the account was excessive and beyond the bounds of good business practice, contrary to Regulation 1300.1(b).

III. III. FUTURE COMPLIANCE

The Respondent hereby states that in future he will comply with the Regulations not complied with as described in Part II of this Settlement Agreement.

IV. CONSENT AND AGREEMENT

The Respondent hereby consents and agrees with the terms of settlement as set out in this Settlement Agreement.

IV. V. ACCEPTANCE OF PENALTY

The Respondent accepts the imposition by the Association of the following discipline penalties:

i) A fine of $50,000 to be paid to the Association within four (4) months of the date of acceptance of this Settlement Agreement by the District Council;

ii) A suspension of the Respondent's receiving approval from acting in any registered capacity with any Member of the Association for a period of ten (10) years, commencing January 31, 1995 till January 31, 2005;

iii) A condition of strict supervision for a period of three (3) years following any period of suspension imposed by the District Council, and the employing Member shall be required to complete and submit monthly supervision reports on a timely basis to the Registration Department of the Association;

iv) A condition that the Respondent must re-write and pass the Conduct and Practices Handbook examination administered by the Canadian Securities Institute within ninety (90) days prior to the submission of an application for approval by the Respondent to the Association. Evidence of successful completion must be provided to the Association within thirty (30) days thereafter; and

v) The Respondent must satisfy in full all of the fines, conditions and costs imposed by the District Council pursuant to this Settlement Agreement within the specified time parameters. Failure to do so may result in the immediate suspension of his approval in any capacity until such time that all fines, conditions and costs are paid or complied within full.

VI. ASSOCIATION COSTS

The Respondent shall pay the Association for its costs of the investigation in this matter the amount of $15,000.00 payable within four (4) months of the acceptance of this Settlement Agreement by the District Council.

VII. EFFECT OF NON-COMPLIANCE WITH PENALTIES

The Respondent admits notice of By-law 20.35 of the Association:

20.35 In the event that a fine or condition imposed by the District Council pursuant to By-law 20.6 or 20.10 is not paid or complied with, respectively, within the time prescribed by the District Council, the applicable District Council may, upon application by the Senior Vice-President, Member Regulation, and

without further notice to the individual or Member concerned, suspend the approval of such individual or the rights and privileges of such Member, respectively, until such fine is paid or condition fulfilled.

VIII. WAIVER

The Respondent hereby waives his right to a hearing pursuant to the Association's By-laws in respect of the matters described herein and any right of appeal or review which may be available pursuant to such By-laws or any applicable legislation.

IX. EFFECTIVE DATE AND NOTICE OF PENALTY

This Settlement Agreement shall only become effective in accordance with its terms upon the acceptance or the imposition of a lessor penalty or less onerous terms by the applicable District Council of the Association in accordance with By-law 20.26 of the Association and, in such event, the Respondent shall be deemed to have been penalized pursuant to By-law 20.10 for the purpose of giving notice thereof.

DATED at the City of Toronto in the Province of Ontario, this 17th day of May, 2000.

WITNESS **GEORGE GEORGIOU**

ACCEPTED by the Ontario District Council of the Investment Dealers Association of Canada, this 18th day of May, 2000.

INVESTMENT DEALERS ASSOCIATION OF CANADA

Per: Fred Kaufman

Per : Bob Guilday

Per: David Kerr

13.1.4 Mark Fridgant

NOTICE TO PUBLIC RE: DISCIPLINARY HEARING

May 24, 2000

RE: IN THE MATTER OF MARK FRIDGANT

Toronto, Ontario -- The Investment Dealers Association of Canada announced today that a hearing date has been set for a discipline hearing regarding Mr. Mark Fridgant before the Ontario District Council of the Association.

The hearing is in respect of matters for which Mark Fridgant may be disciplined by the Association that are alleged by the Member Regulation staff of the Association to have occurred while Mr. Fridgant was employed as a Registered Representative at Moss Lawson & Co. Ltd. and Nesbitt Burns Inc. (now BMO Nesbitt Burns Inc.), Members of the Association.

The hearing is scheduled to commence at **9:30 a.m.** on **June 9, 2000** at the Association's offices located at 1600 - 121 King Street West, Toronto, Ontario. The hearing is open to the public except as may be required for the protection of confidential matters.

If the Ontario District Council determines that discipline penalties are to be imposed on Mr. Fridgant, the Association will issue an Association Bulletin giving notice of the discipline penalties assessed, the regulatory violation(s) committed by Mr. Fridgant, and a summary of the facts. Copies of the Association Bulletin and the Decision of the District Council will be made available.

Contact:

Kathleen O'Brien
Public Affairs Co-ordinator
(416) 943-6921

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Chapter 25

Other Information

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Index