

The Ontario Securities Commission

OSC Bulletin

June 23, 2000

Volume 23, Issue 25

(2000), 23 OSCB

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

The Ontario Securities Commission

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Suite 800, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

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Chapter 1

Notices / News Releases

1.1	Notices	<u>SCHEDULED OSC HEARINGS</u>																																				
1.1.1	<p>Current Proceedings Before The Ontario Securities Commission</p> <p style="text-align: center;">June 23, 2000</p> <p style="text-align: center;">CURRENT PROCEEDINGS</p> <p style="text-align: center;">BEFORE</p> <p style="text-align: center;">ONTARIO SECURITIES COMMISSION</p> <p style="text-align: center;">-----</p> <p>Unless otherwise indicated in the date column, all hearings will take place at the following location:</p> <p style="margin-left: 40px;">The Harry S. Bray Hearing Room Ontario Securities Commission Cadillac Fairview Tower 19th Floor, Box 55 20 Queen Street West Toronto, Ontario M5H 3S8</p> <p>Telephone: 416- 597-0681 Telecopiers: 416-593-8348</p> <p style="text-align: center;">CDS TDX 76</p> <p>Late Mail depository on the 19th Floor until 6:00 p.m.</p> <p style="text-align: center;">-----</p> <p style="text-align: center;"><u>THE COMMISSIONERS</u></p> <table style="width: 100%; border: none;"> <tr><td>David A. Brown, Q.C., Chair</td><td style="text-align: center;">—</td><td>DAB</td></tr> <tr><td>John A. Geller, Q.C., Vice-Chair</td><td style="text-align: center;">—</td><td>JAG</td></tr> <tr><td>Howard Wetston, Q.C. Vice-Chair</td><td style="text-align: center;">—</td><td>HW</td></tr> <tr><td>Kerry D. Adams, FCA</td><td style="text-align: center;">—</td><td>KDA</td></tr> <tr><td>Stephen N. Adams, Q.C.</td><td style="text-align: center;">—</td><td>SNA</td></tr> <tr><td>Derek Brown</td><td style="text-align: center;">—</td><td>DB</td></tr> <tr><td>Morley P. Carscallen, FCA</td><td style="text-align: center;">—</td><td>MPC</td></tr> <tr><td>Robert W. Davis, FCA</td><td style="text-align: center;">—</td><td>RWD</td></tr> <tr><td>John F. (Jake) Howard, Q.C.</td><td style="text-align: center;">—</td><td>JFH</td></tr> <tr><td>Robert W. Korthals</td><td style="text-align: center;">—</td><td>RWK</td></tr> <tr><td>Mary Theresa McLeod</td><td style="text-align: center;">—</td><td>MTM</td></tr> <tr><td>R. Stephen Paddon, Q.C</td><td style="text-align: center;">—</td><td>RSP</td></tr> </table>	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, FCA	—	RWD	John F. (Jake) Howard, Q.C.	—	JFH	Robert W. Korthals	—	RWK	Mary Theresa McLeod	—	MTM	R. Stephen Paddon, Q.C	—	RSP	<p>Date to be announced</p> <p>Amalgamated Income Limited Partnership and 479660 B.C. Ltd.</p> <p>s. 127 & 127.1 Ms. J. Superina in attendance for staff.</p> <p>Panel: TBA</p> <p>June 22/2000 10:00 a.m.</p> <p>Derek Tennant, Kathleen Harris, William Dixon, and Ukstar (Canada) Inc.</p> <p>s. 127 Ms. K. Daniels in attendance for staff.</p> <p>Panel: TBA</p> <p>June 22/2000 11:00 p.m.</p> <p>Michael P.W. Spengemann, Lighthouse Holdings Inc. and PKM Portfolio Services Ltd.</p> <p>s. 127 Ms. K. Daniels in attendance for staff.</p> <p>Panel: TBA</p> <p>Hearing will take place: Courtyard Marriott 475 Yonge Street University Room B Toronto, Ontario</p> <p>Hearing will take place: Courtyard Marriott 475 Yonge Street University Room B Toronto, Ontario</p>
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Robert W. Korthals	—	RWK																																				
Mary Theresa McLeod	—	MTM																																				
R. Stephen Paddon, Q.C	—	RSP																																				

June 22/2000 12:00 p.m. **Alberto Coppo, Douglas Eacrett, Hans-Jörg Hungerland, Link Murray, Marcus New, Michael P.W. Spengemann, Lighthouse Holdings Inc. and PKM Portfolio Services Ltd.**

s. 127
Ms. K. Daniels in attendance for staff.

Panel: TBA

Hearing will take place:
Courtyard Marriott
475 Yonge Street
University Room B
Toronto, Ontario

June 22/2000 2:00 p.m. **John R. Hart, Maxim C.W. Webb, Peter Wood, James Jiang, Sheila C. Ferguson, James F. Mosier, Pico Holdings, Inc., Imprimus Investors, LLC and John T. Perri**

s. 127
Ms. K. Daniels in attendance for staff.

Panel: TBA

Hearing will take place:
Courtyard Marriott
475 Yonge Street
University Room B
Toronto, Ontario

June 22/2000 3:00 p.m. **Bruce Anthony, Wayne D. Cockburn, Bob Kennedy, Ronald S. Ritchie, Peter J. Smith, Douglas C. Witherspoon, First Base Line Communications Inc. and Second Base Development Corp.**

s. 127
Ms. K. Daniels in attendance for staff.

Panel: TBA

Hearing will take place:
Courtyard Marriott
475 Yonge Street
University Room B
Toronto, Ontario

June 22/2000 3:30 p.m. **David Nunn, Michael M. Reddy, Lorne J. Gelleny and Barry J. Racippo**

s. 127
Ms. K. Daniels in attendance for staff.

Panel: TBA

Hearing will take place:
Courtyard Marriott
475 Yonge Street
University Room B
Toronto, Ontario

June 22/2000 4:00 p.m. **Gary A. Fitchett, Lloyd E. Dove, Leon H. Gouzoules, Paul D. Mack and Edward Lai**

s. 127
Ms. K. Daniels in attendance for staff.

Panel: TBA

Hearing will take place:
Courtyard Marriott
475 Yonge Street
University Room B
Toronto, Ontario

June 23/2000 10:00 a.m. **H. Howard Cooper, Thomas L. Digrappa, Frank S. Digrappa, Mary Therese Pagliasotti, Croesus Emerging Markets Resource Fund LLC and Teton Oil USA Limited**

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

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 23/2000 **Doug De Boer, Bougainvillea Holdings Inc., Pat Hickey and Eise De Boer**

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

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 23/2000 **Hubert J. Mockler, Kenneth J. Murton, Robert E. Bellamy, Paul F. Black, Michael W. Manley, Frederick Knight, Stephen R. Shaver, Francisco F. Vidal, Douglas A. Mackenzie and Roderick Chisholm**

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

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 23/2000 **Chris Cook, Louis Manzo, Sam DeBartolo, Roger D. Timpson, Tom Weber, Claude Veillette, Daniel Danis, Pierre Danis, Neil Hindle, Patrick Lavoie, Steven Kiss and Red Castle Limited**

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

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 23/2000 **Richard Opekar, Robert Opekar, John A. Tindale, and Laver Limited**

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

Panel: TBA

Hearing will take place:
Alcohol and Gaming Commission
20 Dundas Street West
7th Floor
Hearing Room D
Toronto, Ontario

June 28/2000 **Richard Thomas Slipetz**

s. 127
Ms. S. Oseni in attendance for staff.

Panel: HIW / MPC / RWD

June 30/2000 **2950995 Canada Inc., 153114 Canada Inc., Micheline Charest and Ronald A. Weinberg**

s. 127
Ms. S. Oseni in attendance for staff.

Panel: HIW / MPC / RSP

Jul 19/2000 **Otis-Winston Ltd. Xillix Technologies Corp., and Digital Cybernet Corporation**

s. 127
Ms. K. Daniels in attendance for staff.

Panel: TBA

Jul 31/2000-
Aug18/2000 **Paul Tindall and David Singh**

s. 127
Ms. M. Sopinka in attendance for staff.

Panel: TBA

May 7, 2001
10:00 a.m.

YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths Mcburney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)

s. 127
Mr. I. Smith in attendance for staff.

Panel: HW / DB / MPC

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

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

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 26/2000
9:00 a.m.

Einar Bellfield

s. 122
Ms. K. Manarin in attendance for staff.

Courtroom C, 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

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

Aug 22/2000
10:00 a.m.
Pre-trial
Conference

**Dual Capital Management Limited,
Warren Lawrence Wall, Shirley Joan
Wall**

Oct 10/2000 -
Nov 3/2000
Trial

s. 122
Ms. J. Superina in attendance for staff.

Court Room No. 9
114 Worsley Street
Barrie, Ontario

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 Rule 31-502, 31-502 CP - Proficiency Requirements for Registrants

RULE 31-502, 31-502 CP - PROFICIENCY REQUIREMENTS FOR REGISTRANTS

The Commission is publishing in today's Bulletin Rule 31-502: *Proficiency Requirements for Registrants* (the "Rule") and a Notice, Companion Policy, Designation and Regulation respecting the Rule.

The Notice, Rule, Companion Policy, Designation and Regulation are published in Chapter 5 of the Bulletin.

1.1.3 Proposed Rule 35-502 - Non-Resident Advisers - Notice of Proposed Rule

NON-RESIDENT ADVISERS

NOTICE OF CHANGES TO PROPOSED RULE UNDER THE SECURITIES ACT

The Commission is publishing in today's Bulletin its notice of proposed changes to proposed Rule 35-502 Non-Resident Advisers.

The notice of proposed changes and the proposed rule are published in Chapter 6 of the Bulletin.

1.1.4 Further Reduction in all Fees

June 21, 2000

NOTICE

FURTHER REDUCTION IN ALL FEES

A 10% reduction in all fees payable to the Commission came into effect on August 3, 1999. All fees will be reduced by a further 10% effective June 26, 2000. This additional reduction is being implemented through amendments to the Regulations under the Securities Act and the Commodity Futures Act. The amendments provide that all fees otherwise payable under Schedule 1 to the Regulations are reduced by 20%.

The amendments replace the previous amendment to the Regulation under the Securities Act and Directive No. 1 made under the Commodity Futures Act, which effected the initial 10% reduction.

This additional 10% across-the-board fee reduction was proposed in the 2000 Ontario Budget on May 2, 2000. As stated in the 2000 Budget, the Commission also is making a comprehensive review of its fee structure with a view to realigning its revenue with regulatory expenses. The Commission will publish for comment a proposal designed to re-engineer its fee structure later this year.

The text of the Regulations is published in Chapter 9 of the Bulletin.

Reference:

Marriane Bridge
Senior Accountant
Corporate Finance
(416) 595-8907

Ralph Lindzon
Senior Legal Counsel
Office of the General Counsel
(416) 593-8207

1.2 News Releases

1.2.1 Membership Mandatory As OSC Moves to Recognize MFDA

June 16, 2000

Membership Mandatory As OSC Moves to Recognize MFDA

Toronto - The OSC took a significant step today to enhance protection for mutual fund investors with the publication of two important documents.

Recognizing the crucial role a strong self regulatory organization plays in the investment community of Canada, the OSC is re-publishing for comment a draft rule that would require all mutual fund dealers and sales people to be members of the Mutual Fund Dealers Association within thirteen months of the MFDA being recognized as a SRO.

The OSC is also publishing for comment the application by the MFDA for recognition as a SRO for mutual fund dealers. The draft Rules and By-laws of the MFDA form part of that application for recognition.

"Since 1997, the OSC, together with other members of the CSA, has supported the establishment of the MFDA as a SRO as the best way to protect the investors of Canada," said Rebecca Cowdery, Manager of Investment Funds for the Ontario Securities Commission. "The OSC is confident that requiring all mutual fund dealers and sales people to be members of the MFDA will provide a substantial level of protection for the millions of Canadians who have invested in mutual funds."

Mutual fund dealers that are also licenced to sell insurance products or that offer financial planning services will be required to join the MFDA. The OSC acknowledges that MFDA membership will impact on these dually licenced salespersons in a unique way and has committed to work with the Canadian insurance regulators to achieve a mutual understanding and resolution to the issues.

Under the proposal the MFDA will be the SRO for mutual fund dealers in all provinces and territories of Canada, other than Quebec. The proposed rule requiring membership in the MFDA is expected to become effective on January 1, 2001, the date the Commission is working towards recognizing the MFDA as a SRO for mutual fund dealers.

"Over 40% of adult Canadians are invested in the markets," added Ms. Cowdery. "Fund assets in Canada now total \$409 billion, up from \$30 billion in 1990. Recognition of the Mutual Fund Dealers Association as a SRO and mandatory membership for fund dealers and sales people are significant steps in protecting these investments."

Reference:

Rebecca Cowdery
Manager, Investment Funds
(416) 593-8129

Rowena McDougall
Corporate Communications Officer
(416)593-8117

1.2.2 Media Alert And Photo Op: Regulator to Unveil Important New Tool for Investors

June 19, 2000

MEDIA ADVISORY

MEDIA ALERT AND PHOTO OP: REGULATOR TO UNVEIL IMPORTANT NEW TOOL FOR INVESTORS

Toronto - Industry Canada and the Ontario Securities Commission are unveiling a Mutual Fund Fee Impact Calculator on:

Tuesday, June 20, 2000
1 p.m.
Design Exchange (Patty Watt Room)
234 Bay Street
Toronto

The web-based calculator – the only one of its kind in Canada – will allow investors to gauge and measure the impact of fees on their investments. The event will include a demonstration of the calculator.

Contact:

Frank Switzer
Manager, Corporate Relations
Ontario Securities Commission
(416) 593-8120

1:2:3 OSC Set To Ease Index Mutual Fund Concentration Restrictions

June 19, 2000

OSC Set To Ease Index Mutual Fund Concentration Restrictions

Toronto - In order to enable index mutual funds to replicate the performance of their target indices, the CSA have published for comment amendments to National Instrument 81-102 Mutual Funds and National Instrument NI 81-101 Mutual Fund Prospectus Disclosure that would allow an index mutual fund to invest in a constituent issuer of its target index in excess of the existing 10 per cent concentration restriction. The 10 per cent concentration restriction will remain for actively managed funds.

"The fundamental investment objective of an index mutual fund is generally to replicate the composition, and therefore the resulting performance, of its target index. To the extent recent market conditions have caused the weighting of some issuers in certain indices to rise substantially about 10 per cent, certain index mutual funds have been prevented from achieving their investment objective," said Chantal Mainville, Legal Counsel with the Ontario Securities Commission. "The CSA wish to allow index mutual funds to invest in issuers in excess of the 10 per cent restriction, to the extent required to achieve their stated investment objective, and provided enhanced prospectus disclosure requirements are met. We are also publishing additional amendments to the rules governing mutual funds in order to provide investors with more disclosure information for both index and actively managed funds."

The proposals would:

- allow an index mutual fund to invest a percentage of its net assets in any one issuer in excess of the current 10 per cent concentration restriction;
- require an index mutual fund to include specific disclosure in its simplified prospectus about its fundamental investment objective, and the risks inherent in the fund investing in securities according to an index that is itself not widely diversified;
- require a mutual fund to disclose its management expense ratio in media other than the simplified prospectus, annual information form and annual financial statements, based on a "rolling" 12 month period; and
- require a mutual fund offering multiple classes of securities to provide cover page disclosure in its simplified prospectus of the classes offered and to provide performance and financial highlight disclosure in the simplified prospectus for different classes.

Ms. Mainville added, "concentration restrictions are intended to ensure that mutual funds are sufficiently diversified so as to minimize risk. We are confident that these amendments appropriately balance the needs and particular characteristics

of index mutual funds with the investor protection concerns that arise when mutual funds are not fully diversified.”

Reference:

Chantal Mainville
Legal Counsel, Investment Funds
(416) 593-8168

Rowena McDougall
Corporate Communications Officer
(416) 593-8117

1.2.4 Media Alert and Photo Op: Unveiling of Important New Tool For Investors

June 20, 2000

MEDIA ADVISORY

MEDIA ALERT AND PHOTO OP: UNVEILING OF IMPORTANT NEW TOOL FOR INVESTORS

Toronto - The Office of Consumer Affairs of Industry Canada and the Ontario Securities Commission are unveiling a Mutual Fund Fee Impact Calculator on:

Tuesday, June 20, 2000
1 p.m.
Design Exchange (Patty Watt Room)
234 Bay Street
Toronto

The web-based calculator – the only one of its kind in Canada – will allow investors to gauge and measure the impact of fees on their investments. The event will include a demonstration of the calculator.

Contact:

Frank Switzer
Manager, Corporate Relations
Ontario Securities Commission
(416) 593-8120

1.2.5 Calculator to Reveal The Impact of Mutual Fund Fees on Consumer Investments

Industry Canada

News Release

CALCULATOR TO REVEAL THE IMPACT OF MUTUAL FUND FEES ON CONSUMER INVESTMENTS

TORONTO, June 20, 2000 -- The Ontario Securities Commission (OSC) together with Industry Canada's Office of Consumer Affairs announced today that they have developed an interactive *Mutual Fund Fee Impact Calculator*. The Calculator will enable consumers to find out how much their mutual funds fees impact on the bottom line of their investments, over a period of time.

The calculator, available on both the Ontario Securities Commission Web site <http://www.osc.gov.on.ca> and Industry Canada's <http://ConsumerConnection.ic.gc.ca> was designed to save investors time and money by having the calculator reveal the impact of various mutual fund fees on their investment return, over time. "Many average Canadians have invested in the stock market through mutual funds," said OSC Vice Chair Jack Geller. "At the start of the 1990s Canadians had \$30 billion invested in mutual funds. Today that figure has climbed to more than \$400 billion."

When consumers make an investment decision, it is important to be aware of all the fees associated with a fund and to consider the potential impact on the fund's return. Consumers pay two kinds of fees. Some are paid directly, for example, on commissions, start-ups or redemption. Other fees are paid indirectly and are deducted from the mutual fund before the fund's rates of return are published and may include management fees and administration expenses. The amount deducted reduces the fund's return, and these expenses are charged to the fund each year regardless of the fund's performance. The calculator allows investors to compare fees across funds and will also assist them in comparing mutual fund fees with the costs of other investments.

"Consumers are looking for credible information on investments, especially mutual funds," said Michael Jenkin, Director General of Industry Canada's Office of Consumer Affairs, "what seems to be a small difference in the level of fees can have a large impact on returns on investment, over time. This calculator allows consumers to gauge and compare the impact of fees they would be charged before they invest. The *Mutual Fund Fee Impact Calculator* is an addition to the popular suite of financial calculators already on the Consumer Connection Web site."

For further information please contact:

Frank Switzer
Manager, Corporate Relations
Ontario Securities Commission
(416) 593-8120

Michael Jenkin
Director General
Office of Consumer Affairs
(613) 954-3277
E-mail jenkin.michael@ic.gc.ca

1.2.6 John Tuzyk, Patricia Sheahan, and Loucas C. Pouroulis

June 21, 2000

**IN THE MATTER OF
JOHN TUZYK, PATRICIA SHEAHAN, and
LOUCAS C. POUROULIS**

Toronto - At a hearing on June 16, 2000 the Commission ordered that certain members of management and insiders of Redaurum Limited ("Redaurum") continue to be prohibited from trading in securities of Redaurum. The persons or companies subject to the order are: John Tuzyk, Patricia Sheahan, and Loucas C. Pouroulis.

The Commission's order results from the failure of Redaurum to file its annual financial statements for the year ended December 31, 1999 by May 19, 2000 as required by Ontario securities law. Historically, it was the Commission's practice to issue an order prohibiting all trading in securities of a defaulting issuer. Now, in accordance with a recently developed policy, such cease trading orders are limited in some cases to certain members of management and insiders of the issuer, where those individuals have or may have access to undisclosed information regarding the affairs of the issuer. Other members of the public are permitted to continue trading in securities of the issuer where the issuer ensures that adequate alternative information is publicly disclosed.

The Commission has determined that in a case such as this, the order issued is a prophylactic remedy that is necessary in view of the fact that the marketplace does not have the necessary information. The question of whether or not the individual respondents in any particular case are at fault depends upon the facts of that case. In making the order regarding securities of Redaurum, the Commission does not necessarily ascribe fault to the respondents.

Reference:

Frank Switzer
Manager, Corporate Relations
(416) 593-8120

1.2.7 Clifford M. James et al

June 21, 2000

IN THE MATTER OF

**CLIFFORD M. JAMES, NEIL D.S. WESTOLL, WILFRID A.
LOUCKS, JAN R. HOREJSI AND RONALD J. SIMPSON**

Toronto -- At a hearing on June 16, 2000 the Commission ordered that certain members of management and insiders of Rift Resources Ltd. ("Rift") continue to be prohibited from trading in securities of Rift. The persons or companies subject to the order are: Clifford M. James, Neil D.S. Westoll, Wilfrid A. Loucks, Jan R. Horejsi and Ronald J. Simpson.

The Commission's order results from the failure of Rift to file its annual financial statements for the year ended December 31, 1999 by May 19, 2000 as required by Ontario securities law. Historically, it was the Commission's practice to issue an order prohibiting all trading in securities of a defaulting issuer. Now, in accordance with a recently developed policy, such cease trading orders are limited in some cases to certain members of management and insiders of the issuer, where those individuals have or may have access to undisclosed information regarding the affairs of the issuer. Other members of the public are permitted to continue trading in securities of the issuer where the issuer ensures that adequate alternative information is publicly disclosed.

The Commission has determined that in a case such as this, the order issued is a prophylactic remedy that is necessary in view of the fact that the marketplace does not have the necessary information. The question of whether or not the individual respondents in any particular case are at fault depends upon the facts of that case. In making the order regarding securities of Rift, the Commission does not necessarily ascribe fault to the respondents.

Reference:

Frank Switzer
Manager, Corporate Relations
(416) 593-8120

1.2.8 Andrew Thomson, Peter Bojtos, Len Spraggett and Sean Spraggett

**IN THE MATTER OF
ANDREW THOMSON, PETER BOJTOS, LEN
SPRAGGETT and SEAN SPRAGGETT**

Toronto -- At a hearing on June 16, 2000 the Commission ordered that certain members of management and insiders of Link Mineral Ventures Limited ("Link") continue to be prohibited from trading in securities of Link. The persons or companies subject to the order are: Andrew Thomson, Peter Bojtos, Len Spraggett and Sean Spraggett.

The Commission's order results from the failure of Link to file its annual financial statements for the year ended December 31, 1999 by May 19, 2000 as required by Ontario securities law. Historically, it was the Commission's practice to issue an order prohibiting all trading in securities of a defaulting issuer. Now, in accordance with a recently developed policy, such cease trading orders are limited in some cases to certain members of management and insiders of the issuer, where those individuals have or may have access to undisclosed information regarding the affairs of the issuer. Other members of the public are permitted to continue trading in securities of the issuer where the issuer ensures that adequate alternative information is publicly disclosed.

The Commission has determined that in a case such as this, the order issued is a prophylactic remedy that is necessary in view of the fact that the marketplace does not have the necessary information. The question of whether or not the individual respondents in any particular case are at fault depends upon the facts of that case. In making the order regarding securities of Link, the Commission does not necessarily ascribe fault to the respondents.

Reference:

Frank Switzer
Manager, Corporate Relations
(416) 593-8120

1.2.9 Derek Tennant, Kathleen Harris, William Dixon, and Ukstar (Canada) Inc.

**IN THE MATTER OF DEREK TENNANT,
KATHLEEN HARRIS, WILLIAM DIXON, and UKSTAR
(CANADA) INC.**

Toronto -- The hearing in this matter, originally scheduled to take place on June 22, 2000 at 10 a.m. at the Alcohol and Gaming Commission, 20 Dundas Street West, 7th Floor, Hearing Room "D", Toronto, Ont., will now proceed on that date at the Courtyard Marriott, 475 Yonge Street, Room University B.

Copies of the Notice of Hearing, Statement of Allegations and Temporary Order can be obtained from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario or are available on the Commission's web site at www.osc.gov.on.ca.

Reference:

Frank Switzer
Manager, Corporate Relations
(416) 593-8120

1.2.10 Michael Zuk, Michael Shvey, Richard Hamilton and John Winter

June 20, 2000

**IN THE MATTER OF
MICHAEL ZUK, MICHAEL SHVEY,
RICHARD HAMILTON and JOHN WINTER**

Toronto -- The hearing in this matter, originally scheduled to take place on June 22, 2000 at 11 a.m. at the Alcohol and Gaming Commission, 20 Dundas Street West, 7th Floor, Hearing Room "D", Toronto, Ont., will now proceed on that date at the Courtyard Marriott, 475 Yonge Street, Room University B.

Copies of the Notice of Hearing, Statement of Allegations and Temporary Order can be obtained from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario or are available on the Commission's web site at www.osc.gov.on.ca.

Reference:

Frank Switzer
Manager, Corporate Relations
(416) 593-8120

1.2.11 Alberto Coppo et al.

June 20, 2000

**IN THE MATTER OF
ALBERTO COPPO, DOUGLAS EACRETT,
HANS-JÖRG HUNGERLAND, LINK MURRAY,
MARCUS NEW, MICHAEL P.W. SPENGMANN,
LIGHTHOUSE HOLDINGS INC. AND
PKM PORTFOLIO SERVICES LTD.**

Toronto - The hearing in this matter, originally scheduled to take place on June 22, 2000 at 12 p.m. at the Alcohol and Gaming Commission, 20 Dundas Street West, 7th Floor, Hearing Room "D", Toronto, Ont., will now proceed on that date at the Courtyard Marriott, 475 Yonge Street, Room University B.

Copies of the Notice of Hearing, Statement of Allegations and Temporary Order can be obtained from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario or are available on the Commission's web site at www.osc.gov.on.ca.

Reference:

Frank Switzer
Manager, Corporate Relations
(416) 593-8120

1.2.12 Bruce Anthony et al.

June 20, 2000

**IN THE MATTER OF
BRUCE ANTHONY, WAYNE D. COCKBURN,
BOB KENNEDY, RONALD S. RITCHIE, PETER J. SMITH,
DOUGLAS C. WITHERSPOON,
FIRST BASE LINE COMMUNICATIONS INC. AND
SECOND BASE DEVELOPMENT CORP.**

Toronto -- The hearing in this matter, originally scheduled to take place on June 22, 2000 at 3 p.m. at the Alcohol and Gaming Commission, 20 Dundas Street West, 7th Floor, Hearing Room "D", Toronto, Ontario., will now proceed on that date at the Courtyard Marriott, 475 Yonge Street, Room University B.

Copies of the Notice of Hearing, Statement of Allegations and Temporary Order can be obtained from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario or are available on the Commission's web site at www.osc.gov.on.ca.

Reference:

Frank Switzer
Manager, Corporate Relations
(416) 593-8120

1.2.13 David Nunn, Michael M. Reddy, Lorne J. Gelleny and Barry J. Racippo

June 20, 2000

**IN THE MATTER OF
DAVID NUNN, MICHAEL M. REDDY,
LORNE J. GELLENY AND BARRY J. RACIPPO**

Toronto -- The hearing in this matter, originally scheduled to take place on June 22, 2000 at 3:30 p.m. at the Alcohol and Gaming Commission, 20 Dundas Street West, 7th Floor, Hearing Room "D", Toronto, Ont., will now proceed on that date at the Courtyard Marriott, 475 Yonge Street, Room University B.

Copies of the Notice of Hearing, Statement of Allegations and Temporary Order can be obtained from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario or are available on the Commission's web site at www.osc.gov.on.ca.

Reference:

Frank Switzer
Manager, Corporate Relations
(416) 593-8120

1.2.14 Gary A. Fitchett et al.

June 20, 2000

**IN THE MATTER OF
GARY A. FITCHETT,
LLOYD E. DOVE, LEON H. GOZOULES,
PAUL D. MACK AND EDWARD LAI**

Toronto -- The hearing in this matter, originally scheduled to take place on June 22, 2000 at 4:00 p.m. at the Alcohol and Gaming Commission, 20 Dundas Street West, 7th Floor, Hearing Room "D", Toronto, Ont., will now proceed on that date at the Courtyard Marriott, 475 Yonge Street, Room University B.

Copies of the Notice of Hearing, Statement of Allegations and Temporary Order can be obtained from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario or are available on the Commission's web site at www.osc.gov.on.ca.

Reference:

Frank Switzer
Manager, Corporate Relations
(416) 593-8120

1.2.15 H. Howard Cooper et al.

June 20, 2000

**IN THE MATTER OF H. HOWARD COOPER,
THOMAS L. DIGRAPPA, FRANK S. DIGRAPPA,
MARY THERESE PAGLIASOTTI, CROESUS EMERGING
MARKETS
RESOURCE FUND LLC AND TETON OIL USA LIMITED**

Toronto -- The hearing in this matter, originally scheduled to take place on June 23, 2000 at 10 a.m. at the Alcohol and Gaming Commission, 20 Dundas Street West, 7th Floor, Hearing Room "D", Toronto, Ontario., will now proceed on that date at the Sheraton Center, 123 Queen Street West, Kenora Room.

Copies of the Notice of Hearing, Statement of Allegations and Temporary Order can be obtained from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario or are available on the Commission's web site at www.osc.gov.on.ca.

Reference:

Frank Switzer
Manager
Corporate Relations Branch
(416) 593-8120

1.2.16 Hubert J. Mockler et al.

June 20, 2000

**IN THE MATTER OF HUBERT J. MOCKLER,
KENNETH J. MURTON, ROBERT E. BELLAMY,
PAUL F. BLACK, MICHAEL W. MANLEY,
FREDERICK KNIGHT, STEPHEN R. SHAVER,
FRANCISCO F. VIDAL, DOUGLAS A. MACKENZIE
AND RODERICK CHISHOLM**

Toronto -- The hearing in this matter, originally scheduled to take place on June 23, 2000 at 2 p.m. at the Alcohol and Gaming Commission, 20 Dundas Street West, 7th Floor, Hearing Room "D", Toronto, Ontario, will now proceed on that date at the Sheraton Center, 123 Queen Street West, Kenora Room.

Copies of the Notice of Hearing, Statement of Allegations and Temporary Order can be obtained from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario or are available on the Commission's web site at www.osc.gov.on.ca.

Reference:

Frank Switzer
Manager, Corporate Relations
(416) 593-8120

1.2.17 Richard Opekar et al.

**IN THE MATTER OF
RICHARD OPEKAR, ROBERT OPEKAR,
JOHN A. TINDALE AND LAVER LIMITED**

Toronto -- The hearing in this matter, originally scheduled to take place on June 23, 2000 at 3 p.m. at the Alcohol and Gaming Commission, 20 Dundas Street West, 7th Floor, Hearing Room "D", Toronto, Ontario, will now proceed on that date at the Sheraton Center, 123 Queen Street West, Kenora Room.

Copies of the Notice of Hearing, Statement of Allegations and Temporary Order can be obtained from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario or are available on the Commission's web site at www.osc.gov.on.ca.

References:

Frank Switzer
Manager, Corporate Relations
(416) 593-8120

1.2.18 OSC Reduces Fees for Third Time in Three Years

June 21, 2000

OSC Reduces Fees for Third Time in Three Years

Toronto - OSC Chair David Brown announced today a 10 per cent across-the-board fee reduction for market participants, effective June 26, 2000 -- the third reduction in fees for the securities industry in as many years. "This is the latest step in the OSC's commitment to reduce fees in stages to bring revenues and expenditures into equilibrium," said Mr. Brown. "This move is expected to save investors, registrants and issuers approximately \$8 million on a full-year basis."

Savings based on a 10 per cent fee reduction include:

- \$100 or more for a company filing a preliminary prospectus;
- up to \$200 per year for a public company filing its annual financial statements;
- \$500 per year when a money market mutual fund files a preliminary or pro forma prospectus;
- \$150 per year in registration fees for a securities issuer, mutual fund dealer, investment counsel and portfolio manager;
- \$25 in registration fees per salesperson per year at a mutual fund company.

It's the second year in a row the OSC has reduced its fees. The OSC implemented a 10 per cent across-the-board reduction in fees effective August 3, 1999 which provided market participants with \$5.4 million in savings from August 1999 to March 2000. As a first instalment of the fee reduction process, the OSC provided market participants with \$2 million per year in savings in September 1997 by eliminating the secondary market fee and fees for certain registration terminations and transfers.

The next step to bring revenues and expenditures into line is a re-engineering of the OSC's fee schedule. The OSC will be publishing for comment later this year a proposal designed to re-engineer its fee structure. The proposal will provide for a better alignment between fees charged and services provided and will ensure that costs are apportioned more fairly among market participants.

NOTE TO REGISTRANTS

Please note that the 10 per cent across-the-board reduction reflects the fees that were set out in Schedule 1 - Fees prior to the 10 per cent across-the-board reduction, which was effective August 3, 1999. As a result of these two across-the-board fee reductions, the OSC has cumulatively reduced its fees by 20 per cent across-the-board from the fees that were set out prior to August 3, 1999, in Schedule 1 - Fees.

References:

Jean-Pierre Maisonneuve
Corporate Communications Officer
Corporate Relations Branch
(416) 595-8913

Marriane Bridge
Senior Accountant, Advisory Services
Corporate Finance Branch
(416) 595-8907

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Banfield Capital Management Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - trades by pooled funds of additional units to existing Unitholders exempted from the dealer registration and prospectus requirements - trades in units of pooled funds exempt from requirement to file a report of such trade within 10 days of the trade provided that reports be filed and fees paid yearly - relief granted from certain conflict of interest provisions, subject to certain conditions.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 1(1), 25, 35(1)5, 53, 72(1)(d), 72(3), 74(1), and 147.

Applicable Ontario Regulations

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 223, 224(1)(a), 226, 227, 228 and 233.

Applicable Ontario Rules

Ontario Securities Commission Rule 45-501 Exempt Distributions (1998), 22 OSCB 127.

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

AND

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

AND

IN THE MATTER OF
BANFIELD CAPITAL MANAGEMENT INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba and Ontario (the "Jurisdictions") has received an application from Banfield Capital Management Inc. (the "Filer"), the investment manager of BCM Arbitrage Fund (the "Partnership"):

A. for a decision under the securities legislation and securities directions of the Jurisdictions (the "Legislation") that:

- (i) certain trades in Additional Units (as defined below) of the Partnership, or of other limited partnerships or pooled fund trusts to be established and managed by the Filer (the "Other Funds"), to existing holders of units ("Units") in the Partnership and Other Funds are not subject to the dealer registration requirement and prospectus requirement; and
- (ii) trades in Units of the Partnership or Other Funds, except in Manitoba, are not subject to certain of the reporting requirements in the applicable Legislation, subject to certain conditions; and

B. for an order of the Ontario Securities Commission under to section 233 of the Regulation made under the *Securities Act* (Ontario), R.R.O. 1990, Regulation 1015, as amended (the "Regulation") exempting the Filer from clause 224(1)(a) and sections 223, 226, 227 and 228 of the Regulation in respect of distributions of the units of the Partnership or Other Funds, subject to certain conditions;

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

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

1. The Filer is a corporation incorporated under the laws of the Province of Ontario for the purpose of engaging in the business of advising others as to the investing in or buying or selling of securities.
2. The Filer's head office is located in Ontario.
3. The Filer has been engaged to provide investment advisory services to the Partnership and is responsible for the investment management of the Partnership's assets.
4. The Partnership was formed under the laws of Ontario by filing a Declaration of Limited Partnership under the *Limited Partnerships Act* (Ontario) on May 8, 1997.
5. BCM General Partner Ltd., a corporation incorporated under the laws of the Province of Ontario, is the general partner of the Partnership and is responsible for the administrative management of the Partnership on a

- day-to-day basis. BCM General Partner Ltd. is an affiliate of the Filer.
6. Other than in Ontario, where the Filer is registered as an adviser in the categories of "investment counsel" and "portfolio manager" and as a dealer in the category of "limited market dealer", the Filer is not registered as an adviser or dealer in any of the Jurisdictions.
 7. In order to service its discretionary account clients, the Filer makes available Units of the Partnership and may make available from time to time, Units of Other Funds. The Filer will be responsible for the investment management of the assets of the Other Funds.
 8. The Filer coordinates the distribution of Units of the Partnership and will co-ordinate the distribution of Units of the Other Funds. Units of the Partnership and the Other Funds will be distributed on a continuous basis and will be offered to residents in the Jurisdictions.
 9. None of the Partnership or the Other Funds is or expects to become a "reporting issuer" (or equivalent) as such term is defined in the applicable Legislation.
 10. The Partnership is, and each of the Other Funds will be, required by its constating document to deliver to holders of its Units ("Unitholders") annual audited financial statements.
 11. Units of the Partnership and the Other Funds will not be offered by a prospectus. However, an offering memorandum containing rights of action and rescission as required under the applicable Legislation will be delivered to prospective investors in respect of the Partnership and the Other Funds.
 12. The assets in the Partnership or Other Funds will be invested from time to time based on objectives, policies, and restrictions of each of the Partnership or Other Funds as described in the offering memorandum delivered to prospective investors in respect of the Partnership and Other Funds.
 13. Units of the Partnership are not, and Units of the Other Funds may not be, redeemable upon demand by a Unitholder but, if a redemption request is made and is approved by BCM General Partner Ltd. (or in the case of the Other Funds, by the manager or general partner, as may be the case), Units would be redeemed at their net asset value on a valuation date determined in accordance with the limited partnership agreement or the trust agreement, as the case may be, of each of the Partnership and the Other Funds. The Partnership has and the Other Funds may have, additional restrictions on the right to redeem.
 14. The minimum initial investment (the "Initial Investment") in Units of the Partnership or Other Funds by an investor will not be less than \$150,000 in Ontario and \$97,000 in Alberta, British Columbia and Manitoba (the "Prescribed Amount").
 15. The Initial Investment will be made in reliance upon the registration and prospectus exemptions contained in the applicable Legislation.
 16. Following an Initial Investment in the Partnership or Other Funds by an investor, it is proposed that Unitholders be permitted to acquire additional Units (the "Additional Units") of the Partnership or Other Funds with an aggregate acquisition cost that is less than the Prescribed Amount by subscribing and paying for Additional Units.
 17. The Partnership and each of the Other Funds is subject to the reporting requirements contained in the applicable Legislation (the "Report Filing Requirements") pursuant to which it must file a report of an Initial Investment within 10 days of each such trade.
 18. The Filer acts in a similar capacity with respect to the Units and Additional Units as does a mutual fund dealer or fully registered dealer with respect to associated mutual fund securities.

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

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

THE DECISION of the Decision Makers under the Legislation is that:

- A. The prospectus requirement and dealer registration requirement do not apply to the purchase of Additional Units provided that:
 - (a) this Decision, as it relates to the jurisdiction of a Decision Maker, shall terminate 90 days after the publication in final form of any legislation or rule of that Decision Maker regarding trades in securities of pooled funds;
 - (b) at the time of the acquisition of Additional Units of the Partnership or such Other Fund, the Unitholder who made the Initial Investment in the Partnership or such Other Fund of at least the Prescribed Amount then owns Units of the Partnership or such Other Fund, as the case may be, having an aggregate purchase price or net asset value of not less than the Prescribed Amount;
 - (c) at the time of the acquisition of Additional Units of the Partnership or such Other Fund, the Filer or any party assisting the Filer in selling the Units, where required under the applicable Legislation, is registered under the applicable Legislation as a dealer in the appropriate category and such registration is in good standing; and

(d) the first trade in Additional Units acquired pursuant to this Decision Document shall be a distribution under the Legislation of the Jurisdiction in which the trade takes place (the "Local Jurisdiction"), unless otherwise exempt from the Legislation of the Local Jurisdiction or unless such first trade is made in the following circumstances.

- (i) the Partnership or such Other Fund, as the case may be, is a reporting issuer or its equivalent under the Local Jurisdiction;
- (ii) if the seller of the Additional Units is in a special relationship (where such expression is defined in the Legislation of the Local Jurisdiction) with the Partnership or such Other Fund, the seller has reasonable grounds to believe that the Partnership or such Other Fund is not in default under the Legislation of the Local Jurisdiction;
- (iii) no unusual effort is made to prepare the market or to create a demand for the Additional Units and no extraordinary commission or consideration is paid in respect of such first trade; and
- (iv) the Additional Units have been held for period of at least eighteen months from the date they were acquired by the seller of the Additional Units or the date the Partnership or Other Fund, as the case may be, became a reporting issuer, whichever is later;

then such first trade is a distribution only if it is a trade made from the holdings of any person, company or combination of persons or companies holding a sufficient number of any securities of the Partnership or such Other Fund to affect materially the control of the Partnership or such Other Fund, but any holding of any person, company or combination of persons or companies holding more than 20 per cent of the outstanding voting securities of the Partnership or such Other Fund shall, in the absence of evidence to the contrary, be deemed to affect materially the control of the Partnership or such Other Fund.

B. The Report Filing Requirement under the Legislation of each of Alberta, British Columbia and Ontario does not apply to trades in Units of the Partnership or the Other Funds, provided that within 30 days after each financial year end of the Partnership and the Other Funds, as the case may be;

- (a) the Filer files a report of trade in accordance with the form requirements prescribed by the respective Decision Maker in respect of trades in Units or Additional Units of the Partnership or

the Other Funds, as the case may be, during such financial year, and

- (b) the Filer remits the applicable fee on behalf of the Partnership or such Other Funds, as the case may be;

AND WHEREAS the Ontario Securities Commission is satisfied that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to section 233 of the Regulation, that the Filer is exempt from the requirements of clause 224(1)(a) and sections 223, 226 and 228 of the Regulation in respect of distributions of Units and Additional Units of the Funds, provided that the Order shall terminate 90 days after the publication in final form of a rule regarding underwriting conflicts.

AND IT IS FURTHER ORDERED pursuant to section 233 of the Regulation that the Filer is exempt from the requirements of section 227 of the Regulation in respect of distributions of Units and Additional Units of the Funds, provided that the Filer, before acquiring discretionary authority, secures the specific and informed written consent of the client to the exercise of the discretionary authority in respect of the Units of the Funds.

June 19th, 2000.

"Howard I. Wetson"

"Stephen N. Adams"

2.1.2 Cambridge Americas Fund et al. - MRRS Decision

Headnote

MRRS Exemptive Relief Application-Extension of lapse date.

Statutes Cited

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

Rules Cited

National Policy 43-201 entitled: Mutual Reliance Review System for Prospectus and AIF's.

National Instrument 81-101 entitled: Mutual Fund Prospectus Disclosure.

National Instrument 81-102 entitled: Mutual Funds.

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

AND

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

AND

**IN THE MATTER OF
CAMBRIDGE AMERICAS FUND
CAMBRIDGE AMERICAN GROWTH FUND
CAMBRIDGE BALANCED FUND
CAMBRIDGE CHINA FUND
CAMBRIDGE GLOBAL FUND
CAMBRIDGE GROWTH FUND
CAMBRIDGE PACIFIC FUND
CAMBRIDGE PRECIOUS METALS FUND
CAMBRIDGE RESOURCE FUND
CAMBRIDGE SPECIAL EQUITY FUND
TRANS-CANADA BOND FUND
TRANS-CANADA DIVIDEND FUND
TRANS-CANADA MONEY MARKET FUND
TRANS-CANADA PENSION FUND
TRANS-CANADA VALUE FUND**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces and territories of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, Northwest Territories, Nunavut and Yukon Territory (the "Jurisdictions") has received an application (the "Application") from Sagit Investment Management Inc. (the "Manager"), Cambridge Americas Fund,

Cambridge American Growth Fund, Cambridge Balanced Fund, Cambridge China Fund, Cambridge Global Fund, Cambridge Growth Fund, Cambridge Pacific Fund, Cambridge Precious Metals Fund, Cambridge Resource Fund, Cambridge Special Equity Fund, Trans-Canada Bond Fund, Trans-Canada Dividend Fund, Trans-Canada Money Market Fund, Trans-Canada Pension Fund and Trans-Canada Value Fund (together, the "Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the time limits pertaining to the distribution of units under the simplified prospectus (the "Prospectus") of the Funds be extended to those time limits that would be applicable if the lapse date of the Prospectus was August 2, 2000.

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

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

- (a) The Manager is a corporation incorporated under the laws of British Columbia. The Manager is the trustee, manager and promoter of the Funds.
- (b) The Funds are open-ended mutual fund trusts established by the Manager under the laws of British Columbia.
- (c) The Funds are reporting issuers under the Act and are not in default of any requirements of the Act or the Regulations made thereunder.
- (d) Pursuant to the Legislation, the lapse date for distribution of securities of the Funds (the "Lapse Date") is June 2, 2000 in all Jurisdictions with the exception of the provinces of Ontario and New Brunswick, where the lapse date is June 3, 2000 and Québec, where the lapse date is June 4, 2000;
- (e) Since the date of the Prospectus, no material change has occurred and no amendments to the Prospectus have been made. Accordingly, the Prospectus represents up to date information regarding each of the Funds offered.
- (f) A pro forma prospectus and annual information form (the "Renewal Documents") for the Funds were filed in each of the Jurisdictions under National Policy 43-201 on May 1, 2000. The Renewal Documents also include a preliminary simplified prospectus and annual information form for the proposed distribution of units of the Cambridge Technology Fund;
- (g) The Renewal Documents were filed under National Instrument 81-101 Mutual Fund Prospectus Disclosure, which incorporates new standards and requirements relating to the content, form and level of disclosure in such documents;
- (h) The Manager has received extensive comments from the principal regulator and requires additional time to consider these comments and revise the disclosure documents accordingly.

- (i) Without an extension of the Lapse Date, there may not be sufficient time for the Manager to properly address and resolve the comments raised by the principal regulator;

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

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

The Decision of the Decision Makers pursuant to the Legislation is that the time limits provided by Legislation as they apply to a distribution of securities under a prospectus are hereby extended to the time limits that would be applicable if the Lapse Date for the distribution of securities under the Prospectus of the Funds was August 2, 2000.

DATED at Vancouver, British Columbia on June 12, 2000

Wayne Redwick, C.G.A.,
Director

2.1.3 Sodisco-howden Group Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer intends to consolidate its issued and outstanding common shares and, in connection with such consolidation, purchase for cash any fractional shares resulting from such consolidation - Proposed consolidation to be voted on by shareholders - Unclear whether proposed purchase of fractional shares falls within scope of exemption in clause 93(3)(a) or 93(3)(b) of the Act - Issuer exempt from formal issuer bid requirements in connection with proposed purchase of fractional shares

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 95, 96, 97, 98, 100 and 104(2)(c)

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

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW
SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS
("MRRS")

AND

IN THE MATTER OF THE
CONSOLIDATION OF THE OUTSTANDING COMMON
SHARES OF SODISCO-HOWDEN GROUP INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland (the "Jurisdictions") have received an application from Sodisco-Howden Group Inc. (the "Company") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Company be exempt from the provisions in such Legislation relating to the delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, taking up and paying for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, bid financing, identical consideration and collateral benefits (collectively, the "Issuer Bid Requirements") so as to authorise the Company to purchase fractional shares (the "Fractional Shares") resulting from the proposed consolidation of its outstanding common shares (the "Consolidation");

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

WHEREAS the Company has represented to the Decision Makers that:

- 1.1 The Company is governed by Part IA of the *Companies Act* (Québec) and its head office is located at 1800, Marie-Victorin, Saint-Bruno, Québec, J3V 6B9.
- 1.2 The Company is a national distributor in the hardware and home renovation business.
- 1.3 The Company is a reporting issuer under the Legislations.
- 1.4 The authorised share capital of the Company consists of an unlimited number of first preferred shares issuable in series, of an unlimited number of second preferred shares issuable in series and of an unlimited number of voting and participating common shares (the "Common Shares"), all without par value.
- 1.5 The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSE") under the symbol (SOD).
- 1.6 The financial year-end of the Company is December 31.
- 1.7 As of April 19, 2000, 398,150,009 Common Shares were issued and outstanding and no other preferred shares were issued and outstanding.
- 1.8 As of March 27, 2000, the Board of directors of the Company adopted a by-law approving the Consolidation on the basis of 20 outstanding Common Shares prior to the Consolidation for 1 Common Share after the Consolidation (a "New Common Share"). The by-law also provides that the Company will not issue Fractional Shares as a result of the consolidation. Instead, it will pay in cash the value of all fractional common shares resulting from the consolidation.
- 1.9 The Company's purchase for cash of the Fractional Shares constitutes an issuer bid for which no exemption is available in the Legislation from the Issuer Bid Requirements.
- 1.10 The shareholders of the Company will be asked to vote, and if thought fit, to approve the said by-law at the annual and special general meeting of the shareholders of the Company to be held on May 16, 2000.
- 1.11 If the Shareholders of the Company vote in favour of the Consolidation, the Common Shares will be consolidated and any Fractional Share resulting thereof will be purchased by the Company for cash.

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 authority to make the Decision has been met;

The Decision of the Decision Makers under the Legislation is to grant to the Company relief from complying with the applicable Issuer Bid Requirements with respect to the purchase of Fractional Shares outstanding as a result of the Consolidation.

May 17th, 2000.

"Me Guy Lemoine"

"Viateur Gagnon"

**DANS L'AFFAIRE DE LA LÉGISLATION EN VALEURS
MOBILIÈRES DE
LA COLOMBIE-BRITANNIQUE, DE L'ALBERTA,
DE LA SASKATCHEWAN, DU MANITOBA, DE L'ONTARIO,
DU QUÉBEC, DE LA NOUVELLE-ÉCOSSE ET DE
TERRE-NEUVE**

ET

**DANS L'AFFAIRE DU RÉGIME D'EXAMEN CONCERTÉ
DES DEMANDES DE DISPENSE
(« REC »)**

ET

**DANS L'AFFAIRE DE LA REFONTE DES ACTIONS
ORDINAIRES ET EN CIRCULATION DE GROUPE
SODISCO-HOWDEN INC.**

DOCUMENTS DE DÉCISION DU REC

CONSIDÉRANT QUE l'autorité locale en valeurs mobilières ou l'agent responsable (le « décideur ») respectif de chacune des provinces de la Colombie-Britannique, de l'Alberta, de la Saskatchewan, du Manitoba, de l'Ontario, du Québec, de la Nouvelle-Écosse et de Terre-Neuve (les « territoires ») a reçu une demande de Groupe Sodisco-Howden Inc. (la « Compagnie ») pour une décision en vertu de la législation en matière de valeurs mobilières des territoires (la « législation ») selon laquelle, la Compagnie soit dispensée des dispositions imposées par la législation à l'égard de la transmission d'une note d'information et d'un avis de modification, délai d'offre et droits de révocation, prise de livraison et règlement, divulgation, restrictions d'acquisition, disponibilité des fonds et égalité de traitement (collectivement « les exigences d'une offre publique de rachat »), de façon à permettre à cette dernière d'effectuer le rachat de fractions d'actions (les « fractions d'actions ») qui résultent de la refonte des actions ordinaires et en circulation de la Compagnie (la « Refonte »), telle que proposée.

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

CONSIDÉRANT QUE la Compagnie a déclaré aux décideurs ce qui suit :

- 1.1 La Compagnie est régie par la Partie IA de la *Loi sur les Compagnies* (Québec) et son siège social est situé au 1800, rue Marie-Victorin, Saint-Bruno, (Québec), J3V 6B9.
- 1.2 La Compagnie est une compagnie de distribution nationale, qui œuvre dans la distribution de produits de quincaillerie et de rénovation domiciliaire.
- 1.3 La Compagnie est un émetteur assujéti en vertu de la législation de tous les territoires.
- 1.4 Le capital-actions autorisé de la Compagnie se compose d'un nombre illimité d'actions privilégiées de premier rang, pouvant être émises en séries, d'un

nombre illimité d'actions privilégiées de deuxième rang pouvant être émises en séries, et d'un nombre illimité d'actions ordinaires votantes et participantes (les « actions ordinaires ») toutes sans valeur nominale.

- 1.5 Les actions ordinaires sont inscrites à la Bourse de Toronto sous la cote (SOD).
- 1.6 L'exercice financier de la Compagnie prend fin le 31 décembre.
- 1.7 Au 19 avril 2000, 398 150 009 actions ordinaires étaient émises et en circulation et aucune action privilégiée n'était émise et en circulation.
- 1.8 Le 27 mars 2000, le Conseil d'administration a adopté un règlement qui autorise ainsi la Refonte selon une base de 20 actions ordinaires en circulation avant la Refonte pour une action ordinaire après la Refonte (une « nouvelle action »). Le Règlement prévoit également qu'aucune émission de fractions d'actions résultera de la Refonte. La Compagnie rachetera, en espèces, toutes les fractions d'actions qui résulteront de la Refonte.
- 1.9 Le rachat en espèces des fractions d'actions constituera une offre publique de rachat selon laquelle aucune dispense statutaire en vertu de la législation trouvera application.
- 1.10 Les actionnaires de la Compagnie vont être appelés à voter sur le bien-fondé de la Refonte et ainsi adopter le règlement et ce, à l'assemblée annuelle générale et spéciale des actionnaires de la Compagnie qui sera tenue le 16 mai 2000.
- 1.11 Si les actionnaires approuvent la Refonte, les actions ordinaires de la Compagnie seront refondues et toutes fractions d'action ordinaire qui résultent de la Refonte, seront rachetées par la Compagnies, en espèces.

CONSIDÉRANT QUE selon le régime, le présent document de décision du REC confirme la décision de chaque décideur (collectivement, la « décision »);

ET CONSIDÉRANT QUE chacun des décideurs est d'avis que le test contenu dans la législation en vertu de laquelle le décideur a juridiction pour rendre la décision a été rencontré;

La décision des décideurs en vertu de la législation est **d'accorder que la Compagnie soit exemptée de se conformer aux exigences d'une offre publique de rachat suite au rachat de fractions d'action ordinaire résultant de la Refonte.**

le 17 mai 2000

Me Guy Lemoine
Viateur Gagnon

2.1.4 St. Laurent Paperboard Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Exemption from requirement to file annual information form within 140 days of year end - applicant has entered into a plan of arrangement which is expected to be consummated on May 31, 2000 - if plan of arrangement not consummated on May 31, 2000, applicant must file its annual information form by June 30, 2000.

Applicable Ontario Statutes Cited

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

Applicable Ontario Policies Cited

OSC Policy 5.10 *Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations* (1989) 12 O.S.C.B. 4275 (as amended).

(UNOFFICIAL TRANSLATION)

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

AND

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

AND

IN THE MATTER OF
ST. LAURENT PAPERBOARD INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Prince Edward Island, New Brunswick, and Newfoundland (the "Jurisdictions") has received an application from St. Laurent Paperboard Inc. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file an annual information form (the "AIF") within 140 days of the end of the financial year of the Filer shall not apply to the Filer;

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

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

1. The Application is being made in connection with the proposed merger of St. Laurent and Smurfit-Stone Container Corporation ("SSCC") pursuant to a pre-merger agreement (the "Pre-merger Agreement") made as of February 23, 2000 between SSCC, Stone Container Corporation ("Stone"), Novaco (a wholly-owned subsidiary of SSCC) and St. Laurent, as amended on April 13, 2000 pursuant to which Novaco will acquire all of the outstanding shares in the capital of St. Laurent (the "St. Laurent Common Shares") pursuant to a plan of arrangement (the "Arrangement") under section 192 of the Canada Business Corporations Act ("CBCA"). Pursuant to the Arrangement, each holder of common shares of St. Laurent will receive US\$12.50 in cash plus one-half share of SSCC common stock for each St. Laurent Common Share.
2. In accordance with the terms of an interim order (the "Interim Order") obtained by St. Laurent on April 14, 2000 from the Superior Court of Québec, District of Montréal (the "Court"), the required approval of the holders of St. Laurent Common Shares, St. Laurent Options and St. Laurent Restricted Share Units (collectively, the "St. Laurent Securityholders") to the Arrangement is expected to be at least 66 2/3% of the votes cast at a special meeting of St. Laurent Securityholders (the "Meeting").
3. In connection with the Arrangement, a management proxy circular (the "Circular") has been delivered to St. Laurent Securityholders and contains, among other things, prospectus-type disclosure of the business and affairs of SSCC and also contains pro forma financial statements for the year ended December 31st, 1999 for the combined St. Laurent-SSCC entity;
4. SSCC is the industry's leading manufacturer of paper and paper-based packaging, including containerboard, corrugated containers, industrial bags and clay-coated recycled boxboard, and is the world's largest paper recycler. In addition, SSCC is a leading producer of solid bleached sulfate, folding cartons, paper tubes and cores, and labels. SSCC common stock is listed and posted for trading on NASDAQ. For the year ended December 31, 1999, Smurfit-Stone had net sales of US \$7,151 million and net income of US \$157 million;
5. St. Laurent was incorporated on March 19, 1993 under the CBCA and is a leading North American manufacturer, supplier and converter of high-quality, value-added paperboard products, serving a diverse customer base in North America and selected international markets. St. Laurent Common Shares are listed and posted for trading on The Toronto Stock Exchange and the New York Stock Exchange. For the year ended December 31, 1999, St. Laurent had net sales of US \$915.8 million and net earnings of US \$38.3 million.

6. The financial year of St. Laurent ends on December 31st;
7. St. Laurent is not in default of the securities legislation of the Jurisdictions.
8. The completion of the Arrangement is scheduled as follows:
St. Laurent obtained from the Court an interim order on April 14, 2000

The Circular has been mailed to all of the St. Laurent Securityholders on April 20, 2000;

The Meeting will be held on or about May 26, 2000;

A final order from the Court will be obtained by St. Laurent on or about May 30, 2000; and

Completion of the Arrangement on or about May 31, 2000.
9. If the arrangement is completed, it will result in St. Laurent becoming an indirect wholly-owned subsidiary of SSCC and, consequently, a "closed company" within the meaning of that term under the *Securities Act* (Québec).

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

The Decision of the Decision Makers under the Legislation is that the requirement contained in the Legislation to file its 1999 AIF within 140 days of the end of the financial year of the Filer shall not apply to the Filer, provided that if the Securityholders of the Filer do not approve the Arrangement at the Meeting, the Filer should have to file its AIF by June 30, 2000 at the latest.

May 19th, 2000.

Le directeur général et chef de l'exploitation,

Jacques Labelle

2.1.5 Talvest Fund Management Inc. et al. - MRRS Decision

Headnote

Investment by RSP fund in securities of another mutual fund that is under common management for specified purpose exempted from the reporting requirements and self-dealing prohibitions of clauses 111(2)(b), 111(3), 117(1)(a) and 117(1)(d).

Investment by RSP fund in forward contracts issued by related counterparty exempted from the requirements of clause 111(2)(a) and 118(2)(a), subject to specified conditions.

Statutes Cited

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

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

AND

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

AND

**IN THE MATTER OF
TALVEST FUND MANAGEMENT INC.
AND
TALVEST GLOBAL EQUITY RSP FUND
TALVEST GLOBAL SCIENCE AND TECHNOLOGY RSP
FUND
TALVEST GLOBAL HEALTH CARE RSP FUND
TALVEST GLOBAL SMALL CAP RSP FUND
TALVEST CHINA PLUS RSP FUND**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Makers") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Talvest Fund Management Inc. ("Talvest"), as manager of Talvest Global Equity RSP Fund, Talvest Global Science and Technology RSP Fund, Talvest Global Health Care RSP Fund, Talvest Global Small Cap RSP Fund and Talvest China Plus RSP Fund (collectively, the "RSP Funds"), for a decision by each Decision Maker (collectively, the "Decision") under the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation (the "Applicable Requirements") shall not apply to the RSP Funds or Talvest, as the case may be, in respect of certain investments to be made by the RSP Funds in Talvest Global Equity Fund, Talvest Global Science and Technology Fund, Talvest Global

Health Care Fund, Talvest Global Small Cap Fund and Talvest China Plus Fund (collectively, the "Underlying Funds"):

- i. the provisions requiring the management company of a mutual fund to file a report relating to the purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies;
- ii. the provisions prohibiting a mutual fund from knowingly making and holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder;
- iii. the provision prohibiting a mutual fund from knowingly making and holding an investment in an issuer which is a substantial security holder of the mutual fund, its management company or distribution company; and
- iv. the provision prohibiting a portfolio manager from knowingly causing an investment portfolio managed by it to invest in any issuer in which a "responsible person" (as that term is defined in the Legislation) is an officer or director, unless the specific fact is disclosed to the client and, if applicable, the written consent of the client to the investment is obtained before the purchase.

AND 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 Talvest has represented to the Decision Makers as follows:

1. Each of the RSP Funds will be and each of the Underlying Funds is an open-ended mutual fund trust established under the laws of the Province of Ontario. Talvest is a corporation incorporated under the laws of Québec and for each of the RSP Funds will be and for each of the Underlying Funds is the trustee, manager and promoter. Talvest is and will be the registrar and transfer agent for all of the Underlying Funds and the RSP Funds (collectively, the "Funds"). The head office of Talvest is in Montreal, Québec.
2. The RSP Funds will be, and the Underlying Funds are, reporting issuers and the Underlying Funds are not in default of any requirements of the Legislation. The units of each of the Underlying Funds are currently qualified for distribution pursuant to a simplified prospectus and annual information form dated October 29, 1999, and the securities of the RSP Funds will be qualified under a preliminary simplified prospectus and a preliminary annual information form (such documents when filed in final form hereinafter referred to together as "Prospectus") which were filed for review in all of the provinces and territories of Canada (the "Prospectus Jurisdictions") under SEDAR project number 254349.
3. The Prospectus will contain disclosure with respect to the investment objective, investment practices and restrictions of the Funds. The investment objective of the RSP Funds is generally to provide returns similar to those of the corresponding Underlying Funds through investment in forward contracts or other specified derivatives that are linked to the returns of the Underlying Funds.
4. The RSP Funds may enter into forward contracts with Canadian Imperial Bank of Commerce ("CIBC"), an affiliate of Talvest ("Related Counterparty") as counterparty.
5. To achieve its investment objective, each of the RSP Funds invest its assets in securities such that its units will, in the opinion of tax counsel to the RSP Funds, be "qualified investments" for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and similar plans (collectively, the "Registered Plans") and will not constitute "foreign property" under the *Income Tax Act* (Canada) (the "Tax Act"). This will primarily be achieved by the RSP Funds entering into derivative contracts with one or more financial institutions (the "Counterparties") that link the returns to the Underlying Funds.
6. Each RSP Fund also intends to invest a portion of its assets directly in securities of the corresponding Underlying Fund. Such investment will at all times be below the maximum foreign property limit prescribed for Registered Plans (the "Foreign Property Maximum"). The amount of direct investment by each RSP Fund in its corresponding Underlying Fund will be adjusted from time to time so that, except for the transitional cash, the aggregate of the derivative exposure to, and direct investment in, the Underlying Fund will equal 100% of the assets of that RSP Fund.
7. The investment objectives of the Underlying Funds are achieved through investment primarily in foreign securities.
8. The direct investments by the RSP Funds in the Underlying Funds will be within the Foreign Property Maximum (the "Permitted RSP Fund Investment"). Talvest and the RSP Funds will comply with the conditions of this Decision Document in respect of such investments. The amount of direct investment by each of the RSP Funds in their corresponding Underlying Funds will be adjusted from time to time so that, except for transitional cash, the aggregate of derivative exposure to, and direct investment in, the Underlying Funds will equal 100% of the assets of the RSP Funds.
9. Except to the extent evidenced by this Decision Document and specific approvals granted by the securities regulatory authorities or regulators under National Instrument NI 81-102 Mutual Funds ("NI 81-102"), the investment by the RSP Funds in the Underlying Funds have been structured to comply with the investment restrictions of the Legislation and NI 81-102.

10. In the absence of this Decision, the RSP Funds are prohibited from knowingly making and holding an investment in units of the Underlying Funds to the extent that the RSP Funds, alone or together with one or more related mutual funds, are substantial securityholders of the Underlying Funds. As a result, in the absence of this Decision, the RSP Funds would be required to divest themselves of any such investments.
11. In the absence of this Decision, the RSP Funds are prohibited from knowingly making and holding an investment in securities of CIBC.
12. In the absence of this Decision, the Legislation requires Talvest to file a report on every purchase or sale of securities of the Underlying Funds by the RSP Funds.
13. By virtue of Talvest being the trustee of the RSP Funds and the Underlying Funds and, therefore, an "associate" of each such mutual fund, and because Talvest is the portfolio manager of the RSP Funds and certain of the directors and officers of Talvest are also officers of the RSP Funds and the Underlying Funds, and are as such "responsible persons" pursuant to Legislation, in the absence of this Decision, Talvest would be prohibited from causing the RSP Funds to invest in the Underlying Funds unless the specific fact is disclosed to investors and the written consent of investors is obtained before the purchase.
14. The RSP Funds' investment in or redemption of units of the Underlying Funds or investment in forward contracts issued by CIBC represents the business judgment of responsible persons, uninfluenced by considerations other than the best interests of the RSP Funds.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Applicable Requirements shall not apply to the RSP Funds, Talvest, or a portfolio sub-adviser, as the case may be, in respect of the investments to be made by the RSP Funds in units of the Underlying Funds, or in forward contracts issued by CIBC or any one of its affiliates;

PROVIDED THAT IN RESPECT OF the investment by the RSP Funds in units of the Underlying Funds:

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with the matters in section 2.5 of NI 81-102; and
2. the Decision shall apply only to investments in, or transactions with, the Underlying Funds that are made by the RSP Funds in compliance with the following conditions:

- (a) the RSP Funds and the Underlying Funds are under common management, and the units of both are offered for sale in the jurisdiction of each Decision Maker, pursuant to a prospectus that has been filed with and accepted by the Decision Maker;
- (b) the RSP Funds restrict their aggregate direct investment in units of the Underlying Funds to a percentage of their assets that is within the Foreign Property Maximum;
- (c) the investment by the RSP Funds in units of the Underlying Funds is compatible with the fundamental investment objectives of the RSP Funds;
- (d) the Prospectus discloses the intent of the RSP Funds to invest in units of the Underlying Funds;
- (e) the RSP Funds may change the Permitted RSP Fund Investment only if they change their fundamental investment objectives in accordance with the Legislation;
- (f) no sales charges are payable by the RSP Funds in relation to purchases of units of the Underlying Funds;
- (g) there are compatible dates for the calculation of the net asset values of the RSP Funds and the Underlying Funds for the purpose of the issue and redemption of units of such mutual funds.
- (h) no redemption fees or other charges are charged by the Underlying Funds in respect of the redemption by the RSP Funds of units of the Underlying Funds owned by the RSP Funds;
- (i) the arrangements between or in respect of the RSP Funds and the Underlying Funds are such as to avoid the duplication of management fees;
- (j) no fees and charges of any sort are paid by the RSP Funds, the Underlying Funds, the manager or principal distributor of the RSP Funds or the Underlying Funds, or by any affiliate or associate of any of the foregoing entities to anyone in respect of the RSP Funds' purchases, holdings or redemptions of the units of the Underlying Funds;
- (k) in the event of the provision of any notice to unitholders of the Underlying Funds, as required by applicable laws or the constating documents of the Underlying Funds, such notice will also be delivered to the unitholders of the RSP Funds; all voting rights attached to the units of the Underlying Funds that are owned by the RSP Funds will be passed through to the unitholders of the RSP Funds;
- (l) in the event that a meeting of the unitholders of the Underlying Funds is called, all of the disclosure and notice material prepared in

connection with such meeting and received by the RSP Funds will be provided to the unitholders of the RSP Funds; each unitholder will be entitled to direct a representative of the RSP Funds to vote that unitholder's proportion of the RSP Funds' holdings in the Underlying Funds in accordance with his or her direction; and the representative of the RSP Funds will not be permitted to vote the RSP Funds' holdings in the Underlying Funds except to the extent the unitholders of the RSP Funds so direct;

- (m) in addition to receiving the annual and, upon request, the semi-annual financial statements of the RSP Funds, unitholders of the RSP Funds will receive the annual and, upon request, semi-annual financial statements of the Underlying Funds, either in a combined report containing the financial statements of both the RSP Funds and the Underlying Funds, or in a separate report containing the financial statements of the Underlying Funds;
- (n) to the extent that the RSP Funds and the Underlying Funds do not use a combined simplified prospectus, annual information form and financial statements containing disclosure about the RSP Funds and the Underlying Funds, copies of the simplified prospectus, annual information form and financial statements relating to the Underlying Funds may be obtained upon request by a unitholder of the RSP Funds.

- (e) the RSP Funds will enter into forward contracts with a Related Counterparty only once confirmation of favourable pricing is received from the independent auditors of the RSP Funds.

June 2nd, 2000.

"Howard I. Wetston"

"Robert W. Korthals"

AND PROVIDED THAT IN RESPECT OF the investment by the RSP Funds in the forward contracts, the Decision applies to the investments in forward contracts of CIBC as counterparty that are made in compliance with the following conditions:

- (a) the pricing terms offered by the Related Counterparty to the RSP Funds under the forward contracts are at least as favourable as the terms committed by the Related Counterparty to other third parties, which are of similar size as the RSP Funds;
- (b) prior to the RSP Funds entering into a forward contract transaction with a Related Counterparty, the independent auditors of the RSP Funds will review the pricing offered by the Related Counterparty to the RSP Funds against the pricing offered by the Related Counterparty to other fund groups offering RSP Funds of similar size, to ensure that the pricing is at least as favourable;
- (c) the review by the independent auditors will be undertaken not less frequently than on a quarterly basis and, in addition, on every renewal or pricing amendment to each forward contract, during the term of such contract;
- (d) the RSP Funds' Prospectus (and each renewal thereof) discloses the independent auditors' role and their review of the forward contracts, as well as the involvement of the Related Counterparty; and

2.1.6 Tier One Energy Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Section 83 of the Ontario Securities Act - Reporting issuer that is a wholly owned subsidiary deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

**IN THE MATTER OF
TIER ONE ENERGY CORP.**

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan and Ontario (the "Jurisdictions") has received an application from Tier One Energy Corp. ("Tier One") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that Tier One be deemed to have ceased to be a reporting issuer under the Legislation;
2. **AND WHEREAS** under the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Alberta Securities Commission is the principal regulator for this application;
3. **AND WHEREAS** Tier One has represented to the Decision Makers that:
 - 3.1 Tier One was formed on July 31, 1996 by means of an amalgamation under the provisions of the *Business Corporations Act* (Alberta);
 - 3.2 the authorized capital of Tier One consists of an unlimited number of Class A Shares and unlimited number of Class B Shares, of which 3,752,890 Class A Shares and 444,400 Class B Shares are currently issued and outstanding;
 - 3.3 Tier One is a reporting issuer in the Jurisdictions;
 - 3.4 Tier One is not in default of any of its obligations as a reporting issuer under the Legislation;

- 3.5 pursuant to an offer to purchase dated October 6, 1999 and a subsequent compulsory acquisition under the provisions of the *Business Corporations Act* (Alberta), Northrock Resources Ltd. ("Northrock") became the holder of all of the issued and outstanding Class A Shares and Class B Shares;
- 3.6 Northrock is the sole registered security holder of Tier One and there are no securities, including debt obligations, currently issued and outstanding other than the Class A Shares and Class B Shares;
- 3.7 the Class A Shares and Class B Shares have been delisted from The Canadian Venture Exchange and there are no securities of Tier One listed on any stock exchange or traded over the counter in Canada or elsewhere;
- 3.8 Tier One does not intend to seek public financing by way of an offering of securities;
4. **AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
5. **AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
6. **THE DECISION** of the Decision Makers under the Legislation is that Tier One is deemed to have ceased to be a reporting issuer under the Legislation.

June 13th, 2000.

"Patricia Johnston"

2.1.7 TransCanada Gas Processing, L.P. - MRRS Decision

Headnote

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

Applicable Alberta Statutory Provisions

Securities Act, S.A., 1981, c.S-6.1, as amended, s. 125

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

AND

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

AND

**IN THE MATTER OF
TRANSCANADA GAS PROCESSING, L.P.**

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from TransCanada Gas Processing, L.P. ("TGP") for a decision under the securities legislation of the Jurisdictions (the "Legislation") deeming TGP to have ceased to be a reporting issuer under the Legislation;
2. AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS TGP has represented to the Decision Makers that:
 - 3.1 TGP is a limited partnership created pursuant to a limited partnership agreement made as of May 25, 1998 and registered as a limited partnership under the laws of the Province of Ontario pursuant to a partnership declaration of limited partnership dated May 25, 1998 and extra-provincially registered in the other Jurisdictions after that date in order to maintain the limited liability of the limited partners of TGP;

- 3.2 TGP is authorized to issue an unlimited number of partnership units of which 5,820,479 limited partnership units ("Units") are issued and outstanding;
- 3.3 ANG Gathering & Processing Ltd. ("AG&P") is the sole registered and beneficial owner of all of the issued and outstanding Units;
- 3.4 TGP is a reporting issuer in each of the Jurisdictions;
- 3.5 TGP became a reporting issuer in Alberta on July 9, 1998 and in each of the other Jurisdictions on July 10, 1998 pursuant to receipts issued for a final prospectus of TGP dated July 9, 1998;
- 3.6 the Units of TGP were listed on The Toronto Stock Exchange until April 20, 2000 and were delisted from The Toronto Stock Exchange on that date;
- 3.7 TGP is not in default of the securities legislation of any province of Canada;
- 3.8 on March 16, 2000 TransCanada Gas Processing Ltd. ("TransCanada"), as General Partner of TGP, proposed an extraordinary resolution of TGP approving an amendment to the limited partnership agreement pursuant to which each limited partner (other than AG&P) would be required to sell to AG&P, and AG&P would be required to purchase, the Units held by such limited partner;
- 3.9 a Notice of Meeting of Limited Partners and Management Proxy Circular respecting a meeting of limited partners to be held on April 19, 2000 for the purpose of considering the extraordinary resolution was sent to the limited partners of TGP;
- 3.10 at the meeting of limited partners held on April 19, 2000 an extraordinary resolution was passed by the limited partners approving the sale of all outstanding Units (not otherwise owned by AG&P) to AG&P effective 5:00 p.m. M.S.T. on April 19, 2000;
- 3.11 the transaction was completed in accordance with the extraordinary resolution and, effective 5:00 p.m. M.S.T. on April 19, 2000, AG&P became the registered and beneficial owner of all of the Units;
- 3.12 the Units are not listed on any stock exchange;
- 3.13 TGP does not intend to seek public financing by way of an offering of securities;
- 3.14 apart from the Units and the interest of the general partner of TGP, TGP has no other securities issued and outstanding;

- 3.15 as AG&P is the sole registered and beneficial owner of all of the issued and outstanding Units of TGP, and as TransCanada is the sole general partner of TGP, and as both AG&P and TransCanada are wholly-owned subsidiaries of TransCanada Pipelines Limited ("TCPL"), and as TCPL has consented to this application, an order that TGP be deemed to have ceased to be a reporting issuer would not be prejudicial to the public interest;
4. AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
5. AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
6. The Decision of the Decision Makers under the Legislation is that TGP cease to be a reporting issuer under the Legislation.

DATED at Calgary, Alberta this 8th day of June, 2000.

"Original signed by" _____

Patricia M. Johnston
Director, Legal Services & Policy Development

2.2 Orders

2.2.1 AIC American Advantage Fund et al. - 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* on a distribution of units made by an "underlying" fund directly (i) to a "clone" fund, (ii) to the "clone" fund's counterparties for hedging purposes and (iii) 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, CHAPTER S.5, AS AMENDED**

AND

**IN THE MATTER OF
AIC AMERICAN ADVANTAGE FUND
AIC WORLD ADVANTAGE FUND
AIC GLOBAL ADVANTAGE FUND
AIC VALUE FUND
AIC WORLD EQUITY FUND
AIC GLOBAL DIVERSIFIED FUND
AIC AMERICAN FOCUSED FUND
AIC LIMITED**

ORDER

**(Subsection 59(1) of Schedule I of the Regulation
under the above statute (the "Regulation"))**

UPON the application of AIC Limited ("AIC") the manager and trustee of AIC RSP American Advantage Fund, AIC RSP World Advantage Fund, AIC RSP Global Advantage Fund, AIC RSP Value Fund, AIC RSP World Equity Fund, AIC RSP Global Diversified Fund, and AIC RSP American Focused Fund and other similar funds established by AIC from time to time (collectively, the "RSP Funds") and AIC American Advantage Fund, AIC World Advantage Fund, AIC Global Advantage Fund, AIC Value Fund, AIC World Equity Fund, AIC Global Diversified Fund, and AIC American Focused Fund, and other similar funds established by AIC from time to time (collectively the "Underlying Funds") to the Ontario Securities Commission (the Commission) for an order pursuant to subsection 59(1) of Schedule I of the Regulation exempting the Underlying Funds from paying duplicate filing fees on an annual basis in respect of the distribution of units of the Underlying Funds to the RSP Funds, the distribution 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 AIC having represented to the Commission that:

1. AIC is, or in the case of the funds not yet established will be, the manager and trustee of the RSP Funds and the Underlying Funds. AIC is a corporation established under the laws of the Province of Ontario.
2. Each of the RSP Funds and the Underlying Funds is, or in the case of the funds not yet established will be, an open-ended unincorporated mutual fund trust established under the laws of Ontario.
3. The units of the RSP Funds and the Underlying Funds are, or in the case of the funds not yet established will be, qualified for distribution pursuant to simplified prospectuses and annual information forms filed across Canada.
4. Each of the RSP Funds and the Underlying Funds is, or will be, a reporting issuer under the securities laws of each of the provinces and territories of Canada. None of the RSP Funds or the Underlying Funds is in default of any requirements of the Act or the securities legislation applicable in each of the provinces and territories of Canada.
5. As part of their investment strategy, the RSP Funds enter into forward contracts with one or more financial institutions (the "Counterparties") that link the returns to an Underlying Fund.
6. A Counterparty may hedge its obligations under a forward contract by investing in units (the "Hedge Units") of the applicable Underlying Fund.
7. As part of their investment strategy, the RSP Funds may purchase units of the Underlying Funds (the "Fund on Fund Investments").
8. Applicable securities regulatory approvals for the Fund on Fund Investments and the RSP Funds investment strategies have been, or will be, obtained.
9. 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 I 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.
10. Annually, each of the Underlying Funds will be required to pay filing fees in respect of the distribution of its units in Ontario, including the distribution of both the units to the RSP Funds and the Hedge Units pursuant to Section 14 of Schedule I 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.
11. A duplication of filing fees pursuant to Section 14 of Schedule I of the Regulation may result when (a)

assets of an RSP Fund are invested in the applicable Underlying Fund; (b) Hedge Units are distributed and (c) a distribution is paid by a underlying Fund on units of the Underlying Fund held by the applicable RSP Fund or on Hedge Units which are reinvested in additional units of the Underlying Fund (the "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 I 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 I of the Regulation in respect of the distribution of units of the Underlying Funds to the RSP Funds, 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 I 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) units to the RSP Fund, (2) Hedge Units and (3) Reinvested Units, together with a calculation of the fees that would have been payable in the absence of this order.

June 16th, 2000.

"J. A. Geller"

"David Brown"

2.2.2 Great Lakes Hydro Income Fund et al. - s. 233, Regulation

Headnote

Section 233 of the Regulation - Issuer is a related issuer of one of the underwriters and a connected issuer of 4 of the underwriters - issuer not in financial difficulty- distribution exempt from clause 224(1)(b) of the Regulation, subject to specified conditions, including that an independent underwriter underwrites 10% of the offering and participates in the due diligence.

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. 224(1)(b) and 233.

Rules Cited

In the Matter of the Limitations on a Registrant Underwriting Securities of a Related Issuer or Connected Issuer of the Registrant (1997), 20 OSCB 1217.

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

AND

IN THE MATTER OF
GREAT LAKES HYDRO INCOME FUND

AND

IN THE MATTER OF
CIBC WORLD MARKETS INC.,
RBC DOMINION SECURITIES INC.,
MERRILL LYNCH CANADA INC.,
SCOTIA CAPITAL INC.,
TD SECURITIES INC.,
BMO NESBITT BURNS INC.,
HSBC SECURITIES (CANADA) INC.,
NATIONAL BANK FINANCIAL CORP., and
Trilon Securities Corp.

ORDER

(Section 233 of the Regulation)

WHEREAS the Ontario Securities Commission (the "Commission") has received from CIBC World Markets Inc. ("CIBC"), RBC Dominion Securities Inc. ("RBC"), Merrill Lynch Canada Inc. ("Merrill Lynch"), Scotia Capital Inc. ("Scotia Capital"), TD Securities Inc. ("TD"), National Bank Financial Corp. ("NBF"), BMO Nesbitt Burns Inc. ("Nesbitt"), HSBC Securities (Canada) Inc. ("HSBC"), and Trilon Securities Corp. ("Trilon") (collectively, the "Underwriters") an application for an order pursuant to section 233 of the Regulation (the "Regulation") under the Act that the Underwriters are exempt from the requirements contained in section 224(1)(b)

of the Regulation under the Act, as varied by Rule 33-5B of the Commission entitled *In the Matter of the Limitation on a Registrant Underwriting Securities of a Related Issuer* (the "Rule"), in respect of the distribution (the "Offering") by Nexfor Inc. ("Nexfor") of trust units (the "Trust Units") of Great Lakes Hydro Income Fund (the "Fund") by way of secondary offering pursuant to a prospectus (the "Prospectus").

AND WHEREAS the Underwriters have represented to the Commission that:

1. The Fund is an unincorporated open-ended trust created by a trust indenture dated September 14, 1999 under the laws of the Province of Québec; it is a reporting issuer in all provinces in Canada, and the Trust Units are listed on The Toronto Stock Exchange.
2. Nexfor is incorporated under the *Canada Business Corporations Act* and its head office is located in Toronto, Ontario; it is a reporting issuer in all provinces of Canada and its shares are listed on The Toronto Stock Exchange.
3. Pursuant to the Offering Nexfor will offer to the public, pursuant to the Prospectus, all of the Trust Units held by Nexfor in consideration for an amount to be determined by market conditions and pursuant to negotiations with the Underwriters.
4. The proportionate share of the Offering underwritten by each of the Underwriters is expected to be as follows:

Underwriter	Proportionate share
CIBC	25%
RBC	20%
Merrill Lynch	10%
Scotia Capital	10%
TD	10%
NBF	10%
Trilon	4%
HSBC	1%
Nesbitt	10%

5. The Fund has entered into an agreement with the Canadian Imperial Bank of Commerce (the "CIBC Bank") and the Royal Bank of Canada (the "Royal Bank"), pursuant to which the CIBC Bank and the Royal Bank has made available a credit facility of \$50 million to be used for general business purposes in connection with the operations of a power system and to finance working capital of the Fund and a capital program of the Fund (the "Fund Credit Facility"). As at the date hereof, no sums have been drawn from the Fund Credit Facility.

6. The CIBC Bank, the Royal Bank, the Toronto Dominion Bank and the Bank of Nova Scotia (collectively, the "Banks") have extended credit facilities of \$350 million to Nexfor (the "Nexfor Credit Facilities"). As at the date hereof, Nexfor has used \$40 million from the available Nexfor Credit Facilities. Nexfor does not intend to apply the proceeds of the Offering to repay amounts owing under the Nexfor Credit Facilities.
7. Each of CIBC, RBC, Scotia Capital, and TD (collectively, the "Bank Underwriters") is a direct or indirect subsidiary of one of the Banks; by virtue of the Fund Credit Facility and the Nexfor Credit Facilities, the Fund and Nexfor may each be a "connected issuer" (as defined in subsection 219(1) of the Regulation) of each of the Bank Underwriters for the purposes of Part XIII of the Regulation; neither the Fund nor Nexfor, however, is a "related issuer" (as defined in subsection 219 (1) of the Regulation) of any of the Bank Underwriters for the purposes of Part XIII of the Regulation.
8. Trilon which will purchase, according to the proposed composition of the syndicate of Underwriters, 4% of the Trust Units to be offered by Nexfor pursuant to the Offering, is approximately 65% owned by Brascan Corporation ("Brascan").
9. Brascan holds approximately 33% of the voting and participating shares of Nexfor and approximately 95% of the voting and participating shares of Great Lakes Power Inc. which will own on closing of the Offering 50% of the Trust Units; as a result, Nexfor is a "related issuer" (as defined in section 219(1) of the Regulation) of Trilon for the purposes of Part XIII of the Regulation.
10. The Underwriters will not comply with the proportional requirements of Clause 224(1)(b) of the Regulation as modified by the Rule.
11. Nesbitt participated in the due diligence process relating to the Offering.
12. Nesbitt's participation in the Offering, together with the details of the relationship existing between Nexfor, Trilon, and Brascan will be described in the Prospectus.
13. The Banks did not participate in the decision to make the Offering nor in the determination of the terms of the distribution or the use of proceeds thereof.
14. The Underwriters will not benefit in any manner from the Offering other than the payment of their fee in connection with the distribution.
15. Neither the Fund nor Nexfor is a "specified party" as defined in proposed Multi-Jurisdictional Instrument 33-105 entitled *Underwriting Conflicts* (1998) 21 OSCB 788 (the "Proposed Conflict Instrument") and Nexfor's relationship with the Banks immediately before the Offering will be a "minor debt relationship" as defined in the Proposed Conflict Instrument.
16. The Prospectus will contain the information prescribed by Appendix C of the Proposed Conflict Instrument.

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

IT IS ORDERED pursuant to section 233 of the Regulation that the Underwriters are exempt from the requirements contained in section 224(1)(b) of the Regulation, as modified by the Rule, in respect of the Offering provided that:

- (a) Nesbitt participates in the Offering as stated in paragraphs 4 and 11 above; and
- (b) Nesbitt's participation in the Offering and the relationship between Nexfor, Trilon, and Brascan are fully disclosed in the Prospectus.

June 16th, 2000.

"J. A. Geller"

"David Brown"

2.2.3 Lake Shore Asset Management, Inc. - ss 38(1), Commodity Futures Act (Ontario)

Headnote

Subsection 38(1) of the Commodity Futures Act (Ontario) - relief from the requirements of subsection 22(1)(b) of the CFA, for a period of three years, in respect of advising certain mutual funds constituted to invest in commodity future contracts and related products, subject to certain terms and conditions.

Statutes Cited

Commodity Futures Act, R.S.O. 1990. c. C20., as am., ss. 22(1)(b), 38(1).

Regulations Cited

Regulation made under the Commodity Futures Act, R.R.O. 1990, Regulation 90, as am., s. 44

IN THE MATTER OF THE COMMODITY FUTURES ACT, R.S.O. 1990, c. 20

AND

IN THE MATTER OF LAKE SHORE ASSET MANAGEMENT, INC.

ORDER (Subsection 38(1))

UPON the application of Lake Shore Asset Management, Inc. ("Lake Shore") to the Ontario Securities Commission (the "Commission") for a ruling under subsection 38(1) of the *Commodity Futures Act*, R.S.O. 1990, c.20 (the "CFA") that Lake Shore and its partners and officers are not subject to the requirement of paragraph 22(1)(b) of the CFA;

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

AND UPON Lake Shore having represented to the Commission that:

1. Lake Shore is incorporated under the laws of Illinois and is resident in Illinois. It does not have a place of business in Ontario with partners and officers that are resident in Ontario who act as advisors on its behalf in Ontario;
2. Lake Shore is a commodity trading advisor ("CTA") registered with the Commodity Futures Trading Commission ("CFTC") and a member of the National Futures Association ("NFA") in the U.S., which permits Lake Shore to advise in respect of future and forward contracts and options on futures and forward contracts in the U.S.;

3. Lake Shore proposes to act as an adviser to:
- (a) registered advisers under the CFA, and
 - (b) registered brokers and dealers acting as a portfolio adviser pursuant to section 44 of the Commodity Futures Act Regulations,
- (collectively the "Registrants")

in Ontario, which advice is for the benefit of clients of the Registrants;

4. Lake Shore proposes to enter into written agreements with the Registrants which agreements will set out the obligations and duties of Lake Shore;

5. Lake Shore will only provide advice in circumstances where:

- (a) the Registrant has agreed in a document providing rights to the client of the Registrant to be responsible for any loss that arises out of the failure of Lake Shore to:

- (i) exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the client; and

- (ii) exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances

(the "standard of care");

in providing advice to the client and this responsibility cannot be waived; and

- (b) the offering document discloses that the Registrant is responsible for any loss that arises out of the failure of Lake Shore to meet the standard of care in providing advice to the client of the Registrant, the difficulty in enforcing legal rights against Lake Shore and that all or substantially all of Lake Shore's assets are situated outside of Ontario;

AND WHEREAS paragraph 22(1)(b) of the CFA prohibits a person or company from acting as an adviser unless the person is registered as an adviser, or is registered as a partner or an officer of a registered adviser and is acting on behalf of a registered adviser, and the registration is in accordance with the CFA and the regulations;

AND UPON the Commission being satisfied that to make this ruling would not be prejudicial to the public interest;

IT IS RULED, pursuant to subsection 38(1) of the CFA, that Lake Shore and its partners and officers are not subject to the requirements of paragraph 22(1)(b) of the CFA in respect of advice provided for the benefit of clients of a Registrant, provided that:

- (a) the obligations and duties of Lake Shore are set out in a written agreement with the Registrant in Ontario;

- (b) the Registrant agrees in a document providing rights to the client of the Registrant to be responsible for any loss that arises out of the failure of Lake Shore to meet the standard of care in providing advice to the client of the Registrant and this responsibility is not waived; and

- (c) a prospectus or other offering document discloses that the Registrant is responsible for any loss that arises out of the failure of Lake Shore to meet the standard of care in providing advice to the client of the Registrant and, that there may be difficulty enforcing any legal rights against Lake Shore and all or a substantial portion of Lake Shore's assets are situated outside of Ontario;

and provided that this Order will terminate three years from June 16th, 2000.

June 16th, 2000.

"J. A. Geller"

"David Brown"

2.2.4 Preussag - cl. 104(2)(c)

Headnote

Cash take-over bid made in Ontario - Bid made in accordance with the laws of the United Kingdom and *The City Code on Take-overs and Mergers - De minimis* exemption unavailable because number of Ontario holders of offeree's shares is 67, which exceeds the 50 person threshold - Bid exempted from the requirements of Part XX, subject to certain conditions

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 93(1)(e), 95-100 and 104(2)(c)

Recognition Orders Cited

In the Matter of the Recognition of Certain Jurisdictions (Clauses 93(1)(e) and 93(3)(h) of Act) (1997) 20 OSCB 1035

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

AND

IN THE MATTER OF
PREUSSAG

ORDER
(Clause 104(2)(c))

UPON the application (the "Application") of Preussag AG ("Preussag") to the Ontario Securities Commission (the "Commission") for an order pursuant to clause 104(2)(c) of the Act that Preussag be exempt from the requirements of sections 95 to 100 of the Act in connection with the proposed offer (the "Offer") by Preussag to acquire all of the outstanding ordinary shares (the "Shares") of Thomson Travel Group plc ("Thomson Travel") in exchange for cash consideration equal to 180 pence per Share;

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

AND UPON Preussag having represented to the Commission as follows:

1. Preussag is a corporation organized and existing under the laws of Germany.
2. Preussag is not a reporting issuer under the Act or the securities legislation of any other province or territory of Canada.
3. Thomson Travel is a company incorporated under the laws of England and Wales. Its issued capital as of June 6, 2000 consisted of 1 billion Shares of 25 pence each. The Shares are listed for trading on the London Stock Exchange.
4. Thomson Travel is not a reporting issuer under the Act or the securities legislation of any other province or territory of Canada.

5. Pursuant to the Offer, each holder of the Shares (a "Shareholder") who accepts the Offer will receive 180 pence in cash for each Share tendered to the Offer.
6. The independent directors of Thomson Travel have determined that the Offer's terms are fair and reasonable and, accordingly, have recommended unanimously that Shareholders accept the Offer.
7. The Offer is being made in compliance with the laws of the United Kingdom, the rules and regulations of the London Stock Exchange, and *The City Code on Take-overs and Mergers* and not pursuant to any exemption from such requirements.
8. As at May 31, 2000, there were 67 Shareholders whose last address as shown on the books of Thomson Travel is in Ontario (collectively, the "Ontario Shareholders"), holding, in aggregate, approximately .018% of the Shares.
9. The Offer is being made on the same terms and conditions to Ontario Shareholders as it is being made to Shareholders resident in the United Kingdom.
10. Although the Commission has recognized the laws of the United Kingdom for the purposes of clause 93(1)(e) of the Act, Preussag cannot rely upon the exemption in clause 93(1)(e) from the requirements in sections 95 to 100 of the Act because the number of Ontario Shareholders is greater than 50.
11. All material relating to the Offer that has been or will be sent by Preussag to Shareholders residing in the United Kingdom concurrently: (i) has been sent or will be sent to the Ontario Shareholders; and (ii) has been filed or will be filed with the Commission.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that, in connection with the Offer, Preussag is exempt from the requirements of sections 95 to 100 of the Act, provided that:

- (a) the Offer and all amendments thereto are made in compliance with *The City Code on Take-overs and Mergers*; and
- (b) all materials relating to the Offer and any amendments thereto that are sent by or on behalf of Preussag to Shareholders residing in the United Kingdom are concurrently sent to the Ontario Shareholders and copies of such materials are filed concurrently with the Commission.

June 7th, 2000.

"J. A. Geller"

"David Brown"

2.2.5 Talvest Fund Management Inc. et al. - 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* on a distribution of units made by an "underlying" fund directly (i) to a "clone" fund, (ii) to the "clone" fund's counterparties for hedging purposes and (iii) 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,
CHAPTER S.5, AS AMENDED (the "Act")**

AND

**IN THE MATTER OF
TALVEST FUND MANAGEMENT INC.**

AND

**TALVEST GLOBAL EQUITY FUND
TALVEST GLOBAL SCIENCE AND TECHNOLOGY FUND
TALVEST GLOBAL HEALTH CARE FUND
TALVEST GLOBAL SMALL CAP FUND
TALVEST CHINA PLUS FUND**

ORDER

**(Subsection 59(1) of Schedule I of the Regulation made
under the above statute (the "Regulation"))**

UPON the application of Talvest Fund Management Inc. ("Talvest"), the manager and trustee of Talvest Global Equity RSP Fund, Talvest Global Science and Technology RSP Fund, Talvest Global Health Care RSP Fund, Talvest Global Small Cap RSP Fund and Talvest China Plus RSP Fund (collectively, the "RSP Funds") and Talvest Global Equity Fund, Talvest Global Science and Technology Fund, Talvest Global Health Care Fund, Talvest Global Small Cap Fund and Talvest China Plus Fund (collectively, the "Underlying Funds"), for an order pursuant to subsection 59(1) of Schedule I of the Regulation exempting the Underlying Funds from paying duplicate filing fees on an annual basis in respect of the distribution of units of the Underlying Funds to the RSP Funds, the distribution 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 Talvest having represented to the Commission that:

1. Talvest is the manager and trustee of the RSP Funds and the Underlying Funds. Talvest is a corporation incorporated under the laws of Québec.

2. Each of the RSP Funds and the Underlying Funds is an open-ended unincorporated mutual fund trust established under the laws of Ontario.
3. The units of the RSP Funds and the Underlying Funds are qualified for distribution pursuant to simplified prospectuses and annual information forms filed across Canada.
4. Each of the RSP Funds and the Underlying Funds is a reporting issuer under the securities laws of each of the provinces and territories of Canada. None of the RSP Funds or the Underlying Funds is in default of any requirements of the Act or the securities legislation, regulations or rules applicable in each of the provinces and territories of Canada.
5. As part of their investment strategy, the RSP Funds enter into forward contracts with one or more financial institutions (the "Counterparties") that link the returns to an Underlying Fund.
6. A Counterparty may hedge its obligations under a forward contract by investing in units (the "Hedge Units") of the applicable Underlying Fund.
7. As part of their investment strategy, the RSP Funds may purchase units of the Underlying Funds (the "Fund on Fund Investments").
8. Applicable securities regulatory approvals for the Fund on Fund Investments and the RSP Funds' investment strategies have been obtained.
9. 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 I 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.
10. Annually, each of the Underlying Funds will be required to pay filing fees in respect of the distribution of units in Ontario, including units issued to the RSP Funds and the Hedge Units, pursuant to section 14 of Schedule I 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.
11. A duplication of filing fees pursuant to Section 14 of Schedule I of the Regulation may result when (a) assets of an RSP Fund are invested in the applicable Underlying Fund (b) Hedge Units are distributed and (c) a distribution is paid by an Underlying Fund on units of the Underlying Fund held by the applicable RSP Fund or Hedge Units which are 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 I 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 I of the Regulation in respect of the distribution of units of the Underlying Funds to the RSP Funds, 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 I 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) units to the RSP Fund, (2) Hedge Units and (3) Reinvested Units; together with a calculation of the fees that would have been payable in the absence of this order.

June 9th, 2000.

"J.A. Geller"

"J. F. Howard"

2.3 Rulings

2.3.1 J. Pasztor and Associates Inc. and Sands Brothers & Co., Ltd. - ss. 74(1)

Headnote

Ruling pursuant to subsection 74(1) of the *Securities Act* (Ontario) in connection with trades in securities with, or on behalf of, U.S. resident persons or companies.

Applicable Ontario Statutory Provisions

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

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

AND

IN THE MATTER OF
J. PASZTOR AND ASSOCIATES INC.
AND
SANDS BROTHERS & CO., LTD.

RULING
(Subsection 74(1))

UPON the application (the "Application") of J. Pasztor and Associates Inc. ("J. Pasztor") and Sands Brothers & Co., Ltd. ("Sands") to the Ontario Securities Commission (the "Commission") pursuant to subsection 74 (1) of the Securities Act (Ontario) (the "Act") that, where persons ("Dual Representatives") who are salespersons or officers of Sands and who are also registered under the Act to trade on behalf of J. Pasztor as salespersons or officers of J. Pasztor, act on behalf of Sands in respect of trades in securities with, or on behalf of, persons or companies ("U.S. Clients") who are resident in the United States ("U.S."), the Dual Representative and Sands shall not be subject to paragraph 25(1)(a) of the Act;

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

AND UPON J. Pasztor and Sands having represented to the Commission that:

1. J. Pasztor is registered under the Act as a dealer in the categories of broker and investment dealer;
2. the head office of J. Pasztor is in Ontario;
3. Sands is a corporation incorporated under the laws of Delaware and is an affiliate of J. Pasztor;
4. the head office of Sands is in the U.S.;
5. Sands is registered under the Act as an international dealer;
6. Sands is registered as a broker-dealer with the U.S. Securities and Exchange Commission, pursuant to the

Securities Exchange Act of 1934 as amended, to carry on the business of a securities dealer in the U.S.;

7. Sands will not trade in securities with or on behalf of persons or companies who are resident in Ontario except within the scope of its permitted dealing activities as an international dealer;
8. Dual Representatives will act on behalf of J. Pasztor and they will also act on behalf of Sands from J. Pasztor's offices in Ontario in respect of trades with or on behalf of U.S. Clients;
9. where Sands trades with or on behalf of U.S. Clients, Sands and any Dual Representatives who act on behalf of Sands in respect of such trades, will comply with all applicable registration and other requirements of U.S. Securities legislation;
10. without this ruling, Dual Representatives who act in Ontario on behalf of Sands in respect of trades with or on behalf of U.S. Clients may be unable to satisfy the registration requirements of paragraph 25(1)(a) of the Act because Sands is not registered under the Act (except as an international dealer);
11. without this ruling, Sands may be unable to satisfy the registration requirements in paragraph 25(1)(a) of the Act where Dual Representatives act in Ontario on behalf of Sands in respect of trades with or on behalf of U.S. Clients because Sands is not registered under the Act (except as an international dealer).

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:

1. Dual Representatives shall not be subject to the requirements of paragraph 25(1)(a) of the Act where the Dual Representative acts on behalf of Sands in respect of trades in securities with or on behalf of U.S. Clients, provided that the Dual Representatives comply with all applicable registration and other requirements of U.S. securities legislation; and
2. Sands shall not be subject to the requirements of paragraph 25(1)(a) of the Act with respect to trading by it in securities with or on behalf of U.S. Clients, provided that:
 - a. a Dual Representative acts on behalf of Sands in respect of such trading;
 - b. Sands complies with all applicable registration and other requirements of U.S. securities legislation; and
 - c. Sands has filed with the Commission such reports as to its trading in securities as the Commission may have required.

June 16th, 2000.

"J. A. Geller"

"David Brown"

2.3.2 Nigel Stephens Counsel Inc. and The Group I Balanced Fund - ss. 74(1), s. 147, S.A. and 233, Regulation

Headnote

Subsection 74(1) - Trades by pooled funds of additional units to existing unitholders (holding units having an aggregate acquisition cost or aggregate net asset value of not less than \$150,000) exempted from sections 25 and 53 of the Act subject to certain conditions.

Section 147 - Trades in units of pooled funds not subject to subsection 72(3) of the Act provided Forms 45-501F1 filed and fees paid annually.

Section 233 of Regulation - Relief granted from subsection 224(1)(a) and sections 223, 226, 227 and 228 of the Regulation with respect to associated mutual fund securities.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am. ss. 1(1), 25,53, 72(1)(d), 72(3), 74(1) and 147.

Regulations Cited

Regulation made under the *Securities Act*, R.R.O. 1990, Reg. 1015, as am., ss. 223, 224(1), 226, 227, 228, 230(2), 233.

Rules Cited

Ontario Securities Commission Rule 33-502- Exceptions to Conflicts Rules in the Sale of Mutual Fund Securities.

Ontario Securities Commission Rule 45-501 - Exempt Distributions.

Ontario Securities Commission Rule 81-501- Mutual Fund Reinvestment Plans.

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

AND

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

AND

**IN THE MATTER OF
NIGEL STEPHENS COUNSEL INC.
AND THE GROUP I BALANCED FUND**

**RULING and ORDERS
(Subsection 74(1) of the Act, section 147 of the Act
and section 233 of the Regulation)**

UPON the application of Nigel Stephens Counsel Inc. (the "Manager"), the investment manager of The Group I Balanced Fund (the "Partnership") to the Ontario Securities Commission (the "Commission") for (i) a ruling pursuant to

subsection 74(1) of the Act that certain trades in units of the Partnership, or of other limited partnerships to be established and managed by the Manager (collectively, the "Funds"), to existing holders of units (the "Units") of ownership interests in the Funds are not subject to section 25 or 53 of the Act; (ii) an order pursuant to section 147 of the Act that trades in Units are not subject to subsection 72(3) of the Act, provided a Form 45-501F1 of the Commission and the prescribed fee are filed within 30 days of each financial year end of the applicable Fund; and (iii) an order pursuant to section 233 of the Regulation exempting the Manager from certain of the conflict of interest requirements (namely, clause 224(1)(a) and sections 223, 226, 227 and 228 of the Regulation) in respect of distributions of Units;

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

AND UPON the Manager having represented to the Commission that:

1. The Manager is a corporation incorporated under the laws of the Province of Ontario for the purpose of engaging in the business of advising with respect to securities. The Manager has been engaged to provide investment advisory services to the Partnership and is responsible for the investment management of the Partnership's assets. Similarly, it will be engaged to provide investment advisory services and will be responsible for the investment management of each of the other Funds.
2. The Partnership is a limited partnership established under the laws of Ontario by Declaration filed on September 24, 1999 under the *Limited Partnerships Act* (Ontario), and the other Funds will be similarly established. The general partner of each Fund will be an affiliate of the Manager.
3. The Manager is registered under the Act as an adviser in the categories of "investment counsel" and "portfolio manager" and as a dealer in the category of "limited market dealer".
4. In order to service its discretionary account clients, the Manager makes available units of the Partnership and will make available units of other of the Funds.
5. The capital of each Fund shall be divided into an unlimited number of partnership Units. Each issued and outstanding Unit of a Fund shall be equal to each other Unit of such Fund with respect to all matters, including the right to receive distributions from the Fund and otherwise, and no Unit shall have any preference, conversion, exchange, pre-emptive or redemption rights in any circumstances over any other Units (except as may be provided in the applicable limited partnership agreement). Each holder of Units of a Fund will be entitled to one vote for each whole Unit owned by it in respect of all matters to be voted upon by the applicable limited partners.
6. All profits and losses of a Fund will be allocated to the applicable limited partners according to their proportionate interests.

7. Subject to certain limited exceptions as set out in the applicable limited partnership agreement, a Limited Partner of a Fund shall be entitled at any time to require such Fund to redeem all or any part of such Limited Partner's Units at the Net Asset Value Per Unit calculated as of the time prescribed for same in the applicable limited partnership agreement.
8. Units of each of the Funds will be distributed on a continuous basis.
9. None of the Funds is, will be, nor expects to become, a "reporting issuer" as such term is defined in subsection 1(1) of the Act.
10. Each of the Funds is or will be a "mutual fund in Ontario" as such term is defined in subsection 1(1) of the Act and, as such, will be required to comply with subsection 77(2) and sections 78 and 79 of the Act with respect to the preparation and mailing to unitholders and filing with the Commission of interim and annual financial statements.
11. Units of the Funds will be offered only to residents in Ontario through the Manager.
12. The minimum initial investment (the "Initial Investment") by a purchaser in any Fund will not be less than \$150,000.
13. The Initial Investment will be made in reliance upon the registration and prospectus exemptions contained in paragraph 35(1)5 and subsection 72(1)(d) of the Act, as amended by Rule 45-501 of the Commission entitled "Exempt Distributions".
14. Following an Initial Investment in one of the Funds by an investor, it is proposed that the unitholder be permitted to acquire additional Units (the "Additional Units") of such Fund with an aggregate acquisition cost of less than \$150,000 by:
 - (a) automatically reinvesting distributions otherwise receivable by the unitholder which are attributable to outstanding Units, unless otherwise requested by the unitholder; or
 - (b) subscribing and paying for Additional Units in cash.
15. The issuance of Additional Units to existing unitholders pursuant to the reinvestment by such unitholders of distributions receivable from the Funds as contemplated above will be made by each of the Funds in reliance upon the exemption from the registration and prospectus requirements of the Act in Rule 81-501 of the Commission entitled "Mutual Fund Reinvestment Plans".

Funds to unitholders as described in paragraph 14(b) above are not subject to sections 25 and 53 of the Act, provided that:

- (a) the Ruling will terminate 90 days after the publication in final form by the Commission of a rule regarding trades in securities of pooled funds;
- (b) at the time of the acquisition of Additional Units of a Fund, the unitholder who made the Initial Investment of at least \$150,000 then owns Units of such Fund having an aggregate acquisition cost or aggregate net asset value of not less than \$150,000; and
- (c) at the time of the acquisition of Additional Units of a Fund, the Manager or any party assisting the Manager in selling the Units is registered under the Act as a dealer in the appropriate category and such registration is in good standing;

AND IT IS ORDERED pursuant to section 147 of the Act that trades in Units of a Fund are not subject to subsection 72(3) of the Act, provided that:

- (a) within 30 days after each financial year end of each of the Funds, the Manager files a report in accordance with Form 45-501F1 of the Commission in respect of trades in Units of such Fund during such financial year; and
- (b) within 30 days after each financial year end of each of the Funds, the Manager remits the applicable fee on behalf of such Fund;

AND IT IS FURTHER ORDERED pursuant to section 233 of the Regulation that the Manager is: (i) exempt from the requirements of clause 224 (1) (a) and sections 223, 226 and 228 of the Regulation in respect of distributions of Units and Additional Units of each of the Funds, provided that the Order shall terminate 90 days after the publication in final form by the Commission of a rule regarding underwriting conflicts and limited market dealers; and (ii) exempt from the requirements of section 227 of the Regulation in respect of distributions of Units of each of the Funds, provided that the Manager before acquiring discretionary authority, secures the specific and informed written consent of the client to the exercise of the discretionary authority in respect of Units of such Fund.

June 20th, 2000.

"J. A. Geller"

"Stephen N. Adams"

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

IT IS RULED pursuant to subsection 74(1) of the Act that trades by the Manager in Additional Units of each of the

Chapter 3

Reasons: Decisions, Orders and Rulings

THERE IS NO MATERIAL FOR THIS CHAPTER
IN THIS ISSUE

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Chapter 4

Cease Trading Orders

4.1.1 Temporary Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
Chivor Emerald Corporation Ltd.	June 15/2000	June 27/2000	—	---
Worldtek (Canada) Ltd.	June 15/2000	June 27/2000	—	—

4.1.2 Extending Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
Great Legends Mining Inc.	June 1/2000	---	June 14/2000	---
Barney's Food Enterprises Inc.	June 1/2000	---	June 14/2000	---
Redlaw Industries Inc.	June 1/2000	---	June 14/2000	---
Sahelian Goldfields Inc.	June 1/2000	---	June 14/2000	---
Greenstone Resources Ltd.	June 2/2000	---	June 16/2000	---
Virgin Metals Inc.	June 2/2000	---	June 16/2000	---
KPI International Inc.	June 2/2000	---	June 16/2000	---
Richwest Holdings Inc.	June 2/2000	---	June 16/2000	---
Bridge-It Corporation	June 2/2000	---	June 16/2000	---
Philip Services Corp.	June 2/2000	---	June 16/2000	—

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Chapter 5

Rules and Policies

5.1 OSC Rules and Policies

5.1.1 Rule 31-502 Proficiency Requirements for Registrants and Companion Policy 31-502cp, and Revocation of Regulations - Notice of Rule under the Securities Act

NOTICE OF RULE UNDER THE SECURITIES ACT RULE 31-502 PROFICIENCY REQUIREMENTS FOR REGISTRANTS AND COMPANION POLICY 31-502CP, AND REVOCATION OF REGULATIONS

Notice of Rule and Companion Policy

The Commission has, under section 143 of the Securities Act (the "Act"), made Rule 31-502 Proficiency Requirements for Registrants (the "Rule").

The Rule and the material required by the Act to be delivered to the Minister of Finance were delivered on June 22, 2000. If the Minister does not approve the Rule, reject the Rule or return it to the Commission for further consideration, the Rule will come into force on September 5, 2000. If the Minister approves the Rule, the Rule will come into force 15 days after it is approved.

The Rule was published for comment on four occasions.

The Companion Policy is effective on September 5, 2000.

Substance and Purpose of Rule and Companion Policy

The substance and purpose of the Rule are to update, amplify and consolidate the proficiency requirements for registrants and codify certain related administrative practices of Staff for various categories of registration. The Rule updates the proficiency requirements for dealers and advisers currently set out in section 124 of the Regulation by codifying Staff administrative practice of accepting certain alternative courses.

The Rule also adopts several of the proficiency requirements imposed by the Toronto Stock Exchange and Investment Dealers Association of Canada (the "IDA") and applies these higher standards to securities dealers.

The Rule establishes proficiency requirements for representatives, officers and partners of portfolio managers.

The Rule also incorporates the proficiency requirements for "associate" representatives, officers and partners of portfolio managers and investment counsel, mutual fund dealers trading in labour sponsored investment funds ("LSIF") securities and salespersons of scholarship plan dealers.

The Rule changes the time limit during which proficiency will be considered to be acceptable even though the applicant has either not been in the industry recently or has satisfied the proficiency requirements sometime in the past.

The substance and purpose of the Companion Policy are to provide guidance as to factors the Director will consider on exemption applications.

Summary of Rule and Companion Policy

The Rule is divided into four parts. Part 1 of the Rule contains defined terms for the Rule and an interpretive section regarding the time limit for the completion of courses and previous registrations set out in Parts 2 and 3 of the Rule.

Part 2 of the Rule sets out the proficiency requirements for dealers, their salespersons, partners, officers, compliance officers and branch managers. This Part also includes a section setting out the proficiency requirements for trading in LSIF securities by mutual fund dealers and their salespersons.

Part 3 of the Rule sets out the proficiency requirements for advisers and their representatives, partners, officers, compliance officers and branch managers. This Part also includes a section setting out the proficiency requirements for associate representatives, partners and officers of investment counsel and portfolio managers.

Part 4 of the Rule contains the general exemption provision.

The Companion Policy provides guidance as to factors the Director will consider on exemption applications.

Final Amendments

The Rule has been amended since its last publication for comment ((1999) 22 OSCB 5739) as follows.

The Rule has been amended to provide that an individual who has obtained partner or officer level registration or proficiency has sufficient proficiency to be designated as a branch manager.

The Part 2 of the Rule has been amended to provide that where individuals are required to take the Canadian Securities Course or the Conduct and Practices Course they may instead take the New Entrants Examination and the U.S. Series 7 Examination. Previously this equivalency was only available to individuals of brokers, investment dealers and securities dealers.

Finally, the Rule has also been amended to add the term "representative" to Part 3 to reflect the amendment to

subsection 25(1) of the Act which permits a person to be registered as a representative of an adviser.

Related Instruments

The Rule is related to Companion Policy 31-502CP.

The Rule is related to Rule 31-504 Applications for Registration, which establishes requirements relating to proof of satisfaction of proficiency requirements, and Rule 31-505 Conditions of Registration, which establishes the requirements for dealers and advisers to designate compliance officers and branch managers.

The Rule is also related to Rule 91-502 Trades in Recognized Options, which establishes proficiency requirements for trading or advising in recognized options, as defined in that rule.

The Rule is also related to proposed Rule 91-504 Over-The-Counter Derivatives, which establishes proficiency requirements for persons acting in certain transactions as representatives of over-the-counter derivatives dealers, as defined in that rule.

Summary of Written Comments Received by the Commission

The Commission received three comments on the fourth publication of the Rule. The commentators were:

- (a) Berkshire Securities Inc.;
- (b) the Canadian Bankers Association; and
- (c) the Investment Dealers Association.

Two commentators recommended that subsection 2.1(2), which requires salespeople of certain dealers to obtain additional proficiency within thirty months of their registration, should incorporate other proficiency standards including those of proposed Multilateral Instrument 33-107 Proficiency Requirements for Registrants Holding Themselves Out as Providing Financial Planning Advice ("MI 33-107").

The Commission is satisfied with the standard of the courses currently required under subsection 2.1(2) and is not of the view that reviewing other courses for equivalency is merited. The Commission will consider whether amendments to the Rule are necessary once proposed MI 33-107 becomes final.

One commentator was of the view that the Rule should provide that subsection 2.1(2) should not apply to salespersons who deal only with non-retail clients. The Commission is of the view that the proficiency requirements of subsection 2.1(2) should apply to all full-service dealer salespeople except restricted representatives.

Regulations to be Revoked

Section 236 of the Regulation will be revoked on the basis that proficiency requirements for trading in LSIF securities will be replaced by the provisions of the Rule.

The Commission will revoke section 124 of the Regulation as it will be replaced by the provisions of the proposed Rule that

update and consolidate the proficiency requirements related to certain dealer and adviser registrations.

The Commission will revoke section 126 of the Regulation on the basis that it will be replaced by the provision in the proposed Rule that provides discretion to the Director to grant exemptions to the Rule.

The Commission will also revoke definitions of courses in section 96 of the Regulation and the definition of Labour Sponsored Investment Fund Course in section 234 of the Regulation on the basis that the definitions will be replaced by definitions in the Rule.

Finally, the Commission will amend section 130 of the Regulation to remove the inconsistency between section 130 of the Regulation and subsection 2.1(2) of the Rule regarding the duration of certain renewals of registration. Subsection 2.1(2) of the Rule provides that in certain circumstances, a registration will be suspended 30 months from the date the registration was granted, despite any renewals in the interim.

Each of the changes to the Regulation will be effective on the day the Rule comes into force.

Text of Rule and Companion Policy

The text of the Rule and Companion Policy follow.

DATED: June 23, 2000.

**ONTARIO SECURITIES COMMISSION RULE 31-502
PROFICIENCY REQUIREMENTS FOR REGISTRANTS**

**ONTARIO SECURITIES COMMISSION RULE 31-502
PROFICIENCY REQUIREMENTS FOR REGISTRANTS**

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PART 4	EXEMPTION
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PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions - In this Rule

"Branch Compliance Officer Course" means the course prepared and conducted by the Institute of Canadian Bankers and so named on the effective date and every successor to that course that does not materially narrow the content of the significant subject matter of the course;

"Branch Managers Course" means the course prepared and conducted by the Canadian Securities Institute and so named on the effective date, every predecessor to that course and every successor to that course that does not materially narrow the content of the significant subject matter of the course;

"Canadian Investment Funds Course" means the course prepared and conducted by the Education Division of The Investment Funds Institute of Canada and so named on the effective date, every predecessor to that course and every successor to that course that does not materially narrow the content of the significant subject matter of the course;

"Canadian Investment Manager Program" means the program prepared and conducted by the Canadian Securities Institute and so named on the effective date, every predecessor to that program and every successor to that program that does not materially narrow the content of the significant subject matter of the program;

"Canadian Securities Course" means the course prepared and conducted by the Canadian Securities Institute and so named on the effective date, every predecessor to that course and every successor to that course that does not materially narrow the content of the significant subject matter of the course;

"Chartered Financial Analyst Examination Program" means the program prepared and conducted by the Association for Investment Management and Research and so named on the effective date, every predecessor to that program and every successor to that program that does not materially narrow the content of the significant subject matter of the program;

"Conduct and Practices Course" means the course prepared and conducted by the Canadian Securities Institute and so named on the effective date, every predecessor to that course and every successor to that course that does not materially narrow the content of the significant subject matter of the course;

"effective date" means the date on which this Rule comes into force;

"Investment Funds in Canada Course" means the course prepared and conducted by the Institute of Canadian Bankers and so named on the effective date, every predecessor to that course and every successor to that course that does not materially narrow the content of the significant subject matter of the course;

"LSIF course" means a course designated by the Commission as a labour sponsored investment funds course that provides instruction about labour sponsored investment funds and their securities that is relevant to a person engaged in trading in the securities of labour sponsored investment funds;

"Mutual Fund Branch Managers Course" means the course prepared and conducted by the Education Division of The Investment Funds Institute of Canada and named the "Branch Managers Course" on the effective date, every predecessor to that course and every successor to that course that does not materially narrow the content of the significant subject matter of the course;

"Mutual Fund Officers, Partners and Directors Course" means the course prepared and conducted by the Education Division of The Investment Funds Institute of Canada and named the "Officers, Partners and Directors Course" on the effective date, every predecessor to that course and every successor to that course that does not materially narrow the content of the significant subject matter of the course;

"New Entrants Examination" means an examination prepared and conducted by the Canadian Securities Institute for new entrants to the securities industry and so named on the effective date, every predecessor to that examination and every successor to that examination that does not materially narrow the content of the significant subject matter of the examination;

"Options Supervisors Course" means the course prepared and conducted to the Canadian Securities Institute and so named on the effective date, every predecessor to that course and every successor to that course that does not materially narrow the content of the significant subject matter of the course;

"Partners, Directors and Senior Officers Qualifying Examination" means the examination prepared and conducted by the Canadian Securities Institute and so named on the effective date, every predecessor to that examination and every successor to that examination that does not materially narrow the content of the significant subject matter of the examination;

"Professional Financial Planning Course" means the course prepared and conducted by the Canadian Securities Institute and so named on the effective date and every predecessor to that course and every successor to that course that does not materially

narrow the content of the significant subject matter of the course;

"restricted representative" means a salesperson of a broker, investment dealer or securities dealer whose registration is restricted to

- (a) the sale of mutual fund securities, or
- (b) accepting unsolicited trade orders from clients provided no advice is provided to clients on the trade order;

"scholarship plan dealers course" means a course designated by the Commission as a scholarship plan dealers course that provides instruction about scholarship plans and their securities that is relevant to a person engaged in trading in the securities of scholarship plans; and

"U.S. Series 7 Examination" means the examination prepared and conducted by securities regulators in the United States of America and so named on the effective date and every predecessor to that examination and every successor to that examination that does not materially narrow the content of the significant subject matter of the examination.

1.2 Time Limits on Completion of Courses and Previous Registrations

- (1) For the purposes of satisfying Parts 2 and 3, except subsection 2.1(2), an applicant for registration or reinstatement of registration must have completed a specified course or examination not more than three years before the date of the applicant's application for registration or reinstatement of registration, or have been previously registered in the relevant category at any time during the three-year period immediately before the date of the applicant's application for registration or reinstatement of registration.
- (2) Despite subsection (1), if a person or company completes, within the three-year period referred to in subsection (1), a specified course or examination for which another specified course or examination is a prerequisite, the specified course or examination that is the prerequisite need not have been completed during the three-year period.

PART 2 PROFICIENCY REQUIREMENTS FOR DEALERS

2.1 Salespersons of Brokers, Investment Dealers and Securities Dealers

- (1) Except as provided in Ontario securities law, an individual shall not be granted registration as a salesperson of a broker, investment dealer or securities dealer unless the individual has

- (a) been granted registration previously as a salesperson, partner or officer of a broker or investment dealer, other than as a restricted representative, or as a broker or investment dealer;
 - (b) been granted registration after the effective date as a salesperson, partner or officer of a securities dealer, other than as a restricted representative, or as a securities dealer;
 - (c) completed each of
 - (i) the Canadian Securities Course, and
 - (ii) the Conduct and Practices Course or the Partners, Directors and Senior Officers Qualifying Examination; or
 - (d) been granted registration as such by his or her principal regulator, as that term is defined in National Instrument 31-101 Mutual Reliance Review System for Registration, and that registration has not been suspended or terminated.
- (2) A registration as a salesperson of a broker, investment dealer or securities dealer granted after the effective date is suspended on the last day of the thirtieth month after the date the registration was granted, despite any renewals in the interim, unless the salesperson has
- (a) completed the Professional Financial Planning Course or the first course of the Canadian Investment Management Program before the registration was granted; or
 - (b) before the end of the thirty-month period
 - (i) completed the Professional Financial Planning Course or the first course of the Canadian Investment Management Program, and
 - (ii) delivered a notice to the Director disclosing the completion of the proficiency in the form required by Ontario securities law for changes to registration information.
- (3) Despite subsection (1), an individual that does not meet the requirements for registration set out in that subsection may be granted registration as a salesperson of a broker, investment dealer or securities dealer if
- (a) the registration is restricted to the sale of mutual fund securities;
 - (b) the individual has
 - (i) been granted registration previously as a salesperson, partner or officer of a mutual fund dealer or as a mutual fund dealer, or
 - (ii) completed any one of the Canadian Securities Course, the Canadian Investment Funds Course or the Investment Funds in Canada Course; and
 - (c) at the date the registration for the individual is granted, the broker, investment dealer or securities dealer that is sponsoring the application has registered with it not more than the lesser of
 - (i) 100 restricted representatives whose registration is restricted to the sale of mutual funds; and
 - (ii) that number of restricted representatives whose registration is restricted to the sale of mutual funds equal to 5% of the total number of representatives registered with the broker, investment dealer or securities dealer.
- (4) Subsection (2) does not apply to a restricted representative.
- (5) Despite subsection (2), a registration as a salesperson of a broker, investment dealer or securities dealer that was a restricted registration is suspended on the last day of the thirtieth month after the date that the restrictions on the registration were removed, despite any renewals in the interim, unless the salesperson has met the requirements of paragraph 2(b).
- (6) The registration of an individual as a salesperson under subsection (3) expires on the date that is 270 days after the date that registration was granted, despite any renewals in the interim, unless the salesperson has completed each of
- (a) the Canadian Securities Course; and
 - (b) the Conduct and Practices Course or the Partners Directors and Senior Officers Qualifying Examination.
- 2.2 Salespersons of Mutual Fund Dealers - An individual shall not be granted registration as a salesperson of a mutual fund dealer unless the individual has**
- (a) been granted registration previously as a salesperson, partner or officer of a broker, investment dealer, securities dealer or mutual fund dealer or as a broker, investment dealer, securities dealer or mutual fund dealer; or

- (b) completed any one of the Canadian Securities Course, the Canadian Investment Funds Course or the Investment Funds in Canada Course.

2.3 Salespersons of Scholarship Plan Dealers - An individual shall not be granted registration as a salesperson of a scholarship plan dealer unless the individual has

- (a) been granted registration previously as a salesperson of a scholarship plan dealer; or
- (b) completed a scholarship plan dealers course.

2.4 Brokers, Investment Dealers, Securities Dealers and their Partners, Officers, Branch Managers and Compliance Officers

- (1) An individual shall not be granted registration as a broker, investment dealer or securities dealer or as a partner or officer of a broker, investment dealer or securities dealer or be designated as the compliance officer under section 1.3 of Rule 31-505 Conditions of Registration by a broker, investment dealer or securities dealer unless the individual has

- (a) been granted registration previously as a partner or officer of a broker or investment dealer or as a broker or investment dealer;
- (b) been granted registration after the effective date as a partner or officer of a securities dealer or as a securities dealer;
- (c) completed the Partners, Directors and Senior Officers Qualifying Examination and the Canadian Securities Course; or
- (d) been granted registration as such by his or her principal regulator, as that term is defined in National Instrument 31-101 National Registration System, and that registration has not been suspended or terminated.

- (2) An individual shall not be designated as a branch manager under section 1.4 of Rule 31-505 Conditions of Registration by a broker, investment dealer or securities dealer unless the individual has

- (a) been granted registration previously as a partner or officer of a broker or investment dealer or as a broker or investment dealer;
- (b) been granted registration after the effective date as a partner or officer of a securities dealer or as a securities dealer; or
- (c) completed the Canadian Securities Course, and

- (i) either
 - (A) the Partners, Directors and Senior Officers Qualifying Examination, or
 - (B) the Branch Managers Course and the Conduct and Practices Course, and

- (ii) if the individual is responsible for supervising persons who trade in options, the Options Supervisors Course.

- (3) Despite paragraph (2)(c), an individual that is designated as branch manager on the effective date may continue to be so designated until the last day of the thirtieth month after the effective date without successfully completing the Canadian Securities Course or the Branch Managers Course.

- (4) Despite paragraph (2)(c)(ii), an individual that is designated as branch manager on the effective date may continue to be so designated without successfully completing the Options Supervisors Course.

2.5 Mutual Fund Dealers and their Partners, Officers, Branch Managers and Compliance Officers

- (1) An individual shall not be granted registration as a mutual fund dealer or as a partner or officer of a mutual fund dealer or designated as the compliance officer under section 1.3 of Rule 31-505 Conditions of Registration by a mutual fund dealer unless the individual has

- (a) been granted registration previously as a partner or officer of a broker, investment dealer, securities dealer or mutual fund dealer or as a broker, investment dealer, securities dealer or mutual fund dealer; or

- (b) completed

- (i) any one of the Canadian Securities Course, the Canadian Investment Funds Course or the Investment Funds in Canada Course, and

- (ii) either the Partners, Directors and Senior Officers Qualifying Examination or the Mutual Fund Officers, Partners and Directors Course.

- (2) An individual shall not be designated as a branch manager under section 1.4 of Rule 31-505 Conditions of Registration by a mutual fund dealer unless the individual has

- (a) been granted registration previously as a partner or officer of a broker, investment dealer, securities dealer or mutual fund

dealer or as a broker, investment dealer, securities dealer or mutual fund dealer; or

(b) completed

- (i) any one of the Canadian Securities Course, the Canadian Investment Funds Course or the Investment Funds in Canada Course, and
- (ii) any one of the Branch Managers Course, the Mutual Fund Branch Managers Course, the Branch Compliance Officer Course, the Partners, Directors and Senior Officers Qualifying Examination or the Mutual Fund Officers, Partners and Directors Course.

2.6 Trading in Labour Sponsored Investment Fund Securities by Mutual Fund Dealers

- (1) A mutual fund dealer shall not trade in the securities of a labour sponsored investment fund unless
 - (a) the trade is made through one of its registered salespersons, partners or officers who satisfies the proficiency requirements in subsection (2);
 - (b) the mutual fund dealer has delivered a notice to the Director stating the names of each of its registered salespersons, partners and officers who will be trading in the securities of a labour sponsored investment fund and the date on which the applicable course referred to in subsection (2) was completed by each individual; and
 - (c) within ninety days after the mutual fund dealer's financial year end, the mutual fund dealer delivers a notice to the Director stating the names of each of its registered salespersons, partners and officers who will be trading in the securities of a labour sponsored investment fund and the date on which the applicable course was completed by each individual.
- (2) A registered salesperson, partner or officer of a mutual fund dealer shall not trade in the securities of a labour sponsored investment fund on behalf of a mutual fund dealer unless the salesperson, partner or officer has completed
 - (a) an LSIF course;
 - (b) the Canadian Securities Course on or after October 25, 1993; or
 - (c) the Canadian Securities Course before October 25, 1993 and has been registered and employed as a registrant at any time

during the three year period immediately before the trade.

- 2.7 New Entrants Equivalency** - In this Part, an individual may meet a requirement to complete the Canadian Securities Course or the Conduct and Practices Course by completion of the New Entrants Examination and the U.S. Series 7 Examination.

PART 3 PROFICIENCY REQUIREMENTS FOR ADVISERS

3.1 Securities Advisers and their Representatives, Partners, Officers, Branch Managers and Compliance Officers

- (1) An individual shall not be granted registration as a securities adviser or a representative, partner or officer of a securities adviser unless
 - (a) the individual has been granted registration previously as a representative, partner or officer or an associate partner or associate officer of a securities adviser, investment counsel or portfolio manager or as a securities adviser, investment counsel or portfolio manager;
 - (b) the individual has
 - (i) completed the Canadian Investment Manager Program or the first year of the Canadian Financial Analyst Examination Program, and
 - (ii) established that the individual performed research involving the financial analysis of investments for at least two years under the supervision of a registered adviser; or
 - (c) the individual has been granted registration as such by his or her principal regulator, as that term is defined in National Instrument 31-101 Mutual Reliance Review System for Registration, and that registration has not been suspended or terminated.
- (2) An individual shall not be designated by a securities adviser as the compliance officer under section 1.3 of Rule 31-505 Conditions of Registration or as a branch manager under section 1.4 of Rule 31-505 Conditions of Registration unless the individual has been granted registration previously as a representative, partner or officer of a securities adviser, investment counsel or portfolio manager.

3.2 Investment Counsel and Portfolio Managers and their Representatives, Partners, Officers, Branch Managers and Compliance Officers

- (1) An individual shall not be granted registration as an investment counsel or portfolio manager or

as a representative, partner or officer of an investment counsel or portfolio manager unless the individual

(a) has been granted registration previously as a representative, partner or officer of an investment counsel or portfolio manager or as an investment counsel or portfolio manager, other than in reliance on section 3.3 or under a registration subject to terms and conditions requiring the individual's advising activities to be supervised;

(b) has

(i) completed either

(A) the Canadian Investment Manager Program and the first year of the Chartered Financial Analysts Examination Program; or

(B) the Chartered Financial Analyst Examination Program, and

(ii) established that the individual has been employed for five years performing research involving the financial analysis of investments, and that three of the five years have been under the supervision of a registered adviser having the responsibility on a discretionary basis for the management or supervision of investment portfolios having an aggregate value of not less than \$5,000,000;

(c) has established that

(i) the individual has

(A) had three years experience as an associate representative, associate partner or associate officer of an investment counsel or portfolio manager;

(B) had three years experience as a registered salesperson of a broker, investment dealer or securities dealer and two years experience as an associate representative, associate partner or associate officer of an investment counsel or portfolio manager;

(C) had three years experience as a research analyst for a broker or investment dealer and two years experience as an associate representative, associate partner or associate officer of an investment counsel or portfolio manager; or

(D) been responsible for the management or supervision of investment portfolios on a discretionary basis having an aggregate value of not less than \$5,000,000 for a period of five years while employed by a Canadian financial institution or a pension fund; and

(ii) the individual has, at the time of application for registration, and has had for a period of one year prior to the time of application, under his or her direct administration on a discretionary basis investment portfolios having an aggregate value of not less than \$5,000,000; or

(d) has been granted registration as such by his or her principal regulator, as that term is defined in National Instrument 31-101 Mutual Reliance Review System for Registration, and that registration has not been suspended or terminated.

(2) An individual shall not be designated by an investment counsel or portfolio manager as the compliance officer under section 1.3 of Rule 31-505 Conditions of Registration or as a branch manager under section 1.4 of Rule 31-505 Conditions of Registration unless the individual has been granted registration previously as a representative, partner or officer of an investment counsel or portfolio manager, other than in reliance on section 3.3 or under a registration subject to terms and conditions requiring the individual's advising activities to be supervised, or as an investment counsel or portfolio manager.

3.3 Associate Representatives, Associate Partners and Associate Officers of Investment Counsel and Portfolio Managers

(1) An individual may be granted registration as an associate representative, associate partner or associate officer of an investment counsel or portfolio manager if the individual has

(a) completed

(i) the Canadian Investment Manager Program and the first year of the Chartered Financial Analyst Examination Program, or

(ii) the Chartered Financial Analyst Examination Program; and

(b) been employed for

(i) two years performing research involving the financial analysis of investments, or

- (ii) two years as a registered salesperson of a broker, investment dealer or securities dealer.

- (2) An individual who is registered as an associate representative, associate partner or associate officer of an investment counsel or portfolio manager shall not give advice unless the advice has been approved by a designated registered representative, partner or officer of the investment counsel or portfolio manager that employs the individual.
- (3) An investment counsel or portfolio manager that employs an associate representative, associate partner or associate officer shall designate a representative, partner or officer that is not an associate representative, associate partner or associate officer to approve advice given by an associate representative, associate partner or associate officer.
- (4) The designated representative, partner or officer described in subsection (3) shall be employed at the same location as the associate representative, associate partner or associate officer whose advice must be approved.

PART 4 EXEMPTION

- 4.1 **Exemption** - The Director may grant an exemption to this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

ONTARIO SECURITIES COMMISSION COMPANION POLICY 31-502CP PROFICIENCY REQUIREMENTS FOR REGISTRANTS

PART 1 PROFICIENCY REQUIREMENTS FOR REGISTRANTS

- 1.1 **Alternative Qualifications for LSIF Salespersons** - The Director will consider granting an exemption to section 2.6 of Rule 31-502 Proficiency Requirements for Registrants (the "Rule") to any person or company if the Director is satisfied that to do so would not be prejudicial to the public interest, having regard to the spirit and intent of the *Community Small Business Investment Funds Act*.
- 1.2 **Alternative Qualifications** - The Director will consider granting an exemption to any of sections 2.1 to 2.5 and 3.1 to 3.3 of the Rule to any person or company if the Director is satisfied that the person or company has qualifications or experience that are equivalent to, or more appropriate in the circumstances than, the qualifications or experience required under the section.
- 1.3 **Supervision by Non-Registered Advisers** - For the purposes of establishing experience that is equivalent to, or more appropriate in the circumstances than, the experience under the supervision of a registered adviser in subparagraph 3.1(1)(b)(ii) and subparagraph 3.2(1)(b)(ii) of the Rule, the Director will consider, among other relevant factors, experience under the supervision of
 - (a) an unregistered investment manager of a Canadian financial institution;
 - (b) an adviser that is registered in a jurisdiction other than Ontario or a foreign jurisdiction; or
 - (c) an adviser that is not required to be registered under the laws of the jurisdiction or foreign jurisdiction in which the adviser carries on business.

**ONTARIO SECURITIES COMMISSION STAFF
NOTICE 31-702 OF
ONTARIO SECURITIES COMMISSION DESIGNATION
OF COURSES UNDER RULE 31-502
PROFICIENCY REQUIREMENTS FOR REGISTRANTS**

PART 1 INTERPRETATION

1.1 Interpretation - In this Designation, terms defined in Rule 31-502 Proficiency Requirements for Registrants (the "Rule") have the respective meanings ascribed to them in that Rule.

The attached Regulation made by the Ontario Securities Commission under the

Securities Act on, 2000 is approved.

PART 2 DESIGNATIONS

2.1 LSIF Courses

- (1) The course, which, at the effective date of the Rule, is entitled "Labour Sponsored Investment Funds" prepared and conducted by the Investment Funds Institute of Canada and every successor to that course that does not narrow the significant subject matter of the course is designated by the Commission as an LSIF course under the Rule.
- (2) The course, which, at the effective date of the Rule, is entitled "Labour Sponsored Investment Funds" prepared and previously conducted by Steven G. Kelman and Associates Limited ("Kelman")(the "Kelman Course") is designated by the Commission as an LSIF course under the Rule for registrants who completed the course prior to December 1, 1998.

.....
Minister of Finance

Dated on, 2000.

2.2 Scholarship Plan Dealers' Courses

- (1) The scholarship plan dealers' courses prepared and conducted by each of Scholarship Consultants of North America, C.S.T. Consultants Inc., Canadian American Financial Corp. (Canada) Limited, Global Educational Marketing Corporation and Education Fund Services Inc. as they exist on the effective date, every predecessor of one of those courses and every successor to one of those courses that does not narrow the scope of the significant subject matter of the course, are designated by the Commission as scholarship plan dealers' courses under Rule 31-502 Proficiency Requirements for Registrants.
- (2) If the Commission is of the view that it is in the public interest to terminate any of the designations in subsection (1), it may do so after giving the affected party the opportunity to be heard.

CONFIDENTIAL
Until filed with the
Registrar of Regulations

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Ontario Securities Commission:

**REGULATION TO AMEND
REGULATION 1015 OF THE REVISED REGULATIONS OF
ONTARIO, 1990
MADE UNDER THE
SECURITIES ACT**

.....
Vice Chair

.....
John A. Geller

Note: Since the end of 1998, Regulation 1015 has been amended by Ontario Regulations 1/99, 322/99, 3/00, 108/00, 133/00 and 222/00. Previous amendments are listed in the Table of Regulations in the Statutes of Ontario, 1998.

.....
Vice Chair

.....
Howard I. Wetston

1. Section 96 Regulation 1015 of the Revised Regulations of Ontario, 1990 is amended by striking out the following definitions:

Dated on, 2000.

1. "Canadian Investment Finance Course".
2. "Canadian Investment Funds Course".
3. "Canadian Securities Course".
4. "Chartered Financial Analysts Course".
5. "Partners', Directors' and Senior Officers' Qualifying Examination".
6. "Registered Representative Examination".

Note: The rule made by the Ontario Securities Commission on June 20, 2000 entitled "Ontario Securities Commission Rule 31-502 *Proficiency Requirements for Registrants*" comes into force on, 2000.

2. Section 124 of the Regulation is revoked.
3. Section 126 of the Regulation is revoked.
4. Subsection 130 (1) of the Regulation is amended by inserting after "subsections (2) and (2.1)" "and except as otherwise provided in Ontario Securities Commission Rule 31-502 *Proficiency Requirements for Registrants*".
5. The definition of "Labour Sponsored Investment Fund Course" in section 234 of the Regulation is revoked.
6. Section 236 of the Regulation is revoked.
7. This Regulation comes into force on the day the rule made by the Ontario Securities Commission on June 20, 2000 entitled "Ontario Securities Commission Rule 31-502 *Proficiency Requirements for Registrants*" comes into force.

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Chapter 6

Request for Comments

6.1 Request for Comments

6.1.1 Proposed Rule 35-502 - Non-resident Advisers - Notice of Proposed Rule Under the Securities Act

NOTICE OF PROPOSED RULE UNDER THE SECURITIES ACT

PROPOSED RULE 35-502 NON-RESIDENT ADVISERS

Introduction

On October 2, 1998, the Commission published proposed Rule 35-502 International Advisers for comment at (1998), 21 OSCB 6263. This version of that document is called the "1998 Draft Rule" in this Notice.

During the comment period on the 1998 Draft Rule, which expired on December 31, 1998, the Commission received four submissions, plus one additional submission received after the expiry of the comment period. The names of commenters providing the submissions, a summary of their comments and the response of the Commission are contained in Appendix A to this Notice. The Commission thanks all commenters for providing their comments on the 1998 Draft Rule. The 1998 Draft Rule has been amended to reflect certain of the comments, and is being republished for further comment under the title "Non-Resident Advisers". The republished version of the instrument is called the "Proposed Rule" in this Notice.

Substance and Purpose of Proposed Rule

The Commission considers a person or company to be acting as an adviser in Ontario if it, directly or through a third party, acts as an adviser for a person or company in Ontario, notwithstanding that the advice may be given from a place outside of Ontario or that the advice may be unsolicited. The Commission also considers a person or company to be acting as an adviser in Ontario if it, directly or through a third party, acts as an adviser for a mutual fund or a non-redeemable investment fund that distributes its securities in Ontario, notwithstanding that the advice to the fund may be given to, and received by, the fund outside of Ontario. In these circumstances, the Commission considers that the Ontario investors in the fund are acquiring the advisory services of the portfolio adviser of the fund and that the securities of the fund are distributed in Ontario for the purpose of providing these advisory services in Ontario. Therefore, the portfolio adviser of the fund is considered to be acting as an adviser to Ontario purchasers of the fund, and hence acting as an adviser in Ontario, by virtue of the distribution of securities of the fund to those purchasers.

As a result, the activities outside of Ontario of non-resident persons or companies may be such as to bring them within the ambit of the registration requirements under section 25 of the *Securities Act* (Ontario) (the "Act"). The substance and purpose of the proposed Rule are to provide certain exemptions from section 25 of the Act for non-resident persons or companies in connection with their advisory activities in Ontario, where the nature of those activities is not such that the public interest requires registration. The substance and purpose of the proposed Rule are also to provide those non-resident persons or companies with an exemption from certain of the requirements otherwise applicable to applicants for registration as, or registrants in the categories of, investment counsel or investment counsel and portfolio manager, who are prepared to accept conditions on their registration that limit the clients to whom advisory services may be provided.

The proposed Rule is a reformulation of OSC Policy Statement No. 4.8 ("Policy 4.8") now the Rule *In the Matter of Certain Advisers* (1997), 20 OSCB 1217, as amended by (1998), 21 O.S.C.B. 6432 and (1999), 22 O.S.C.B. 6296.

Summary of Changes to the Proposed Rule

This section of this Notice describes changes proposed to be made in the Proposed Rule. Changes of a minor nature, or those made only for purposes of clarification or drafting reasons, are generally not discussed.

For additional background, and a summary of the 1998 Draft Rule, reference should be made to the notice that accompanied the publication of that instrument at (1998) 21 OSCB 6258.

Title of Rule

As a result of the addition of Part 8 of the Proposed Rule, dealing with extra-provincial advisers, the title of the Proposed Rule has been changed from "International Advisers" to "Non-Resident Advisers".

Part 1 - Definitions and Interpretation

A definition of "extra-provincial adviser" has been added as a result of the inclusion of Part 8 in the Proposed Rule. This definition is consistent with the definition of this term in Policy 4.8. A definition of a "submission to jurisdiction and appointment of service of process form" has also been added, as a result of the inclusion of Part 9 of the Proposed Rule. The definition of the term "client" has been deleted, with the result that this term will now have its ordinary meaning. A definition of "portfolio adviser" has been added, consistent with the use and definition of that term in National Instrument 81-102 Mutual Funds ("National Instrument 81-102").

Section 1.2 of the 1998 Draft Rule has been deleted as a result of the coming in to force of National Instrument 81-102

on February 1, 2000. The extended definition of affiliates, now found as section 1.2 of the Proposed Rule, has been amended to clarify that in appropriate circumstances a company and a partnership may be considered to be affiliated with each other.

Part 2 - International Adviser Applicants

References to directors, officers and partners of an international adviser have been amended to also include a reference to "representatives", as a result of the amendments made to section 25 of the Act to allow for the registration of adviser representatives.

Part 3 - International Advisers

Sections 3.1, dealing with bonding and insurance, and 3.2, dealing with maintenance of books and records, of the 1998 Draft Rule have been deleted. The Commission intends to amend section 99 of the Regulation to provide for "international adviser (investment counsel or portfolio manager)" to be a separate category of registration, and to amend section 101 of the Regulation to exclude international advisers and those applying for registration as international advisers or as a partner, officer or representative of an international adviser from the requirements of Part V of the Regulation, except as provided in the Proposed Rule. Accordingly, it is not necessary to exclude international advisers from the operation of subsections 107(3), 108(3), 113(3), 113(5) and 113(6) of the Regulation in the Proposed Rule as those sections will not apply to international advisers. Similarly, section 3.7 of the 1998 Draft Rule, dealing with the statements of account and portfolio referred to in section 123 of the Regulation, has been deleted for the same reason.

Conversely, the Draft Rule has been amended to ensure that international advisers are subject to those requirements of the Regulation which are intended to apply to them, namely sections 102 to 104, subsections 113(1), (2) and (4), subsections 115(3) and (4), sections 130 to 136 and section 145 of the Regulation. The ordering of the sections in this Part of the Proposed Rule has also been amended to correspond to the ordering of Part V of the Regulation.

Section 3.4 of the 1998 Draft Rule has also been amended. That section would have required an international adviser to maintain the same standards of fairness for the allocation of investment opportunities as a resident investment counsel, but the international adviser would not have been required to file a copy of those standards with the Commission or to furnish a copy to its clients. On further consideration, the Commission is of the view that an international adviser should be subject to the same requirements in this regard as would apply to an investment counsel, meaning that international advisers will be required not only to prepare these standards but to provide a copy of them to their clients in Ontario and file a copy with the Commission.

Section 5.3

Section 5.3 has been added to the Proposed Rule to ensure consistency with the provisions of Rule 33-503 Change of Registrant Information.

Section 6.4

The 1998 Draft Rule provided in section 6.4 that an international adviser was restricted to acting as an adviser in Ontario for foreign securities, and could only act as an adviser in Ontario for Canadian securities if that activity was "incidental" to its acting as an adviser for foreign securities. Section 6.4 of the Proposed Rule has been amended to provide guidance on the evaluation of "incidental". Whether the activity can be considered to be incidental shall be evaluated from the point of view of the adviser and not the client.

Part 7 - Exemptions from Registration

Section 7.1(1), which provides an exemption from the adviser registration requirement where the person or company provides unsolicited advising of not more than 5 clients in Canada, has been revised to permit the assets of the Ontario clients to be held by the clients themselves. Previously the assets of the Ontario clients had to be held by persons or companies that met the requirements of paragraph 3.7(1)(b) or are referred to in subsection 3.7(3). The reference in paragraph 7.1(1)(f) to paragraph 3.7(1)(b) has been changed to read 3.7(1) in order to implement this change.

Section 7.3 of the 1998 Draft Rule has been revised for greater clarity and is now found as sections 7.3 and 7.5 of the Proposed Rule. These sections now make it clear that the degree of "responsibility" that an Ontario registrant must take for the advice received from or portfolio management services provided by an unregistered person or company in reliance upon the exemption from registration given by those sections is limited to accepting responsibility for losses arising from the failure of the non-registered person or company to exercise the stipulated standard of care. As a result, subsection 7.3(2) of the 1998 Draft Rule is unnecessary and has been deleted. This approach is consistent with the extent to which the "manager" of a public mutual fund, within the meaning of that term in National Instrument 81-102, is required to assume responsibility for the actions of those which it has retained to provide services to the mutual fund.

Part 8 - Extra-Provincial Advisers

In the 1998 Draft Rule, the provisions dealing with extra-provincial advisers from Policy 4.8 were not included, as it was anticipated that these requirements would be included in other rules or national instruments then under consideration by the Commission. As it is now expected that the Proposed Rule will come in to force before those other instruments, these provisions are now found in Part 8 of the Proposed Rule.

Part 9 - Submission to Jurisdiction and Appointment of Agent for Service of Process

The requirement in Policy 4.8 that a non-resident adviser file a submission to jurisdiction and appointment of agent for service of process form was not included in the 1998 Draft Rule, because it was anticipated that this requirement would be contained in proposed Rule 35-501 Registration of Non-Residents. As the Proposed Rule is expected to come in to force before proposed Rule 35-501, this requirement, as it applies to non-resident advisers, has been moved into the Proposed Rule.

Authority for the Proposed Rule

The following provisions of the Act provide the Commission with the authority to make the proposed Rule and to amend the Regulation made under the Act. Paragraph 143(1)1 of the Act authorizes the Commission to make rules prescribing requirements in respect of applications for registration and the renewal, amendment, expiration or surrender of registration and in respect of suspension, cancellation or reinstatement of registration. Paragraph 143(1)2 of the Act authorizes the Commission to make rules prescribing categories or sub-categories of registration, classifying registrants into categories or sub-categories and prescribing the conditions of registration or other requirements for registrants or any category or sub-category. Paragraph 143(1)7 of the Act authorizes the Commission to make rules regarding the disclosure or furnishing of information to the public or the Commission by registrants. Paragraph 143(1)8 of the Act authorizes the Commission to make Rules providing for exemptions from the registration requirements under the Act or for removal of exemptions from those requirements. Subsection 143(3) authorizes the Commission, subject to the approval of the Minister, to, concurrently with making a rule, make a regulation that amends any provision of a regulation made by the Lieutenant Governor in Council under the Act that in the opinion of the Commission is necessary or advisable to effectively implement the rule.

Unpublished Materials

In proposing the Rule, the Commission has not relied on any significant unpublished study, report or other written materials.

Alternatives Considered

The Commission has determined that it is appropriate that the exemptive relief provided to non-resident entities that permits them to undertake certain advisory activities in Ontario without having to register as advisers, and that relief from certain of the requirements of the Act and Regulation provided to international adviser applicants and international advisers, should be set forth in a rule. The alternative methods of achieving this result would involve extensive amendments to the Act and Regulation; however, this alternative is not considered appropriate at this time.

Anticipated Costs and Benefits

It is anticipated that non-resident advisers will benefit from the proposed Rule in that they will either not be required to register under the Act, or will be able to register as international advisers; thus eliminating the costs of registration in situations where the public interest does not require registration, or simplifying the registration process and on-going compliance with the Act and Regulation in situations where the public interest does not require full compliance, thereby reducing costs to the non-resident adviser.

Amendment of Regulation

The Commission proposes to amend section 99 of the Regulation to add "international adviser (investment counsel or portfolio manager)" as an additional category of registration for advisers, and to amend section 101 of the Regulation to add as subsection (3) a provision excluding international advisers from the operation of Part V of the Regulation except as provided in this Rule.

Comments

Interested parties are invited to make written submissions with respect to the Proposed Rule. Submissions received by July 30, 2000 will be considered.

Submissions should be made to:

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario M5H 3S8

A diskette containing an electronic copy of the submissions (in DOS or Windows format, preferably WordPerfect) should also be submitted. As the Act requires that a summary of written comments received during the comment period be published, confidentiality of submissions received cannot be maintained.

Questions may be referred to:

Randee Pavalow
Manager, Market Regulation
Ontario Securities Commission
(416) 593-8257

Barbara Fydell
Legal Counsel, Market Regulation
Ontario Securities Commission
(416) 593-8253

Text of Proposed Rule

The text of the Proposed Rule, together with footnotes that are not part of the Proposed Rule but have been included to provide background and explanation, follows.

DATED: June 23, 2000

ONTARIO SECURITIES COMMISSION RULE 35-502
NON-RESIDENT ADVISERS

APPENDIX A

SUMMARY OF COMMENTS RECEIVED ON
DRAFT RULE 35-502
AND
RESPONSE OF THE
ONTARIO SECURITIES COMMISSION

1. INTRODUCTION

On October 2, 1998, the Ontario Securities Commission (the "Commission") published for public comment draft Rule 35-502 International Advisers (the "1998 Draft Rule").

During the comment period on the 1998 Draft Rule, which expired on December 31, 1998, the Commission received four submissions, plus one additional submission received after the expiry of the comment period, from the following parties:

1. Association for Investment Management and Research (AIMR).
2. Fidelity Investments Canada Limited.
3. Kathleen G. Ward, Lawyer.
4. Simon Romano, Lawyer.
5. Osler, Hoskin & Harcourt.

Copies of the comment letters may be viewed at the office of Micromedia, 20 Victoria Street, Toronto, Ontario, (416) 312-5211 or (800) 387-2689.

The following is a summary of the comments received, together with the Commission's responses.

2. GENERAL COMMENTS

Two commenters in general supported the 1998 Draft Rule. One of the two felt that the 1998 Draft Rule advanced the interests of both investment professionals and investors. The commenter believed that an ethical and proficient industry was in the best interests of the investors who rely on the profession's advice and management services and was also in the best interest of investment professionals who seek to compete fairly on the basis of their activities. The commenter also believed that the 1998 Draft Rule was consistent with Canada's movement towards free trade and the elimination of costly barriers to trade.

3. SPECIFIC COMMENTS

Definition of "Permitted Clients"

One commenter suggested eliminating those parts of the definition of permitted clients in section 1.1 of the 1998 Draft Rule which are based upon net worth, specifically the provisions which refer to a registered charity with assets of at least \$5 million, an individual with a net worth of at least \$5 million and a person or company that is entirely owned, legally and beneficially, by an individual with a net worth of at least \$5

million. The commenter believed that high net worth does not necessarily indicate a high level of investment knowledge or sophistication that would justify the elimination of disclosure requirements.

Another commenter noted that the list of permitted clients is not consistent the other principal categorizations of sophisticated investors contained in Ontario securities laws. The examples provided were paragraph 72(1)(d) of the Act, as amended by Rule 45-501 Prospectus Exempt Distributions, where investors having \$150,000 or more to invest are deemed to be sophisticated, and paragraph 204(1)(g) of the Regulation, where pension funds with net assets of \$5,000,000 or more are eligible to be treated as designated institutions.

Response:

The Commission considered, when the predecessor policy was first implemented, the criteria for appropriate clients and is not reconsidering the issue at this time, but may consider it further as part of its ongoing initiative to streamline the various categories of registration.

Disclosure Requirements

One commenter was concerned that, by allowing non-resident advisers to avoid certain disclosure requirements, the Commission would be opening a potential registration gap in which a non-resident who is registered in a foreign jurisdiction that has fewer disclosure requirements may do business in Ontario with less disclosure than an equivalent resident advisers. The commenter recommended that the Commission retain certain minimum disclosure requirements to close this gap. The commenter suggested that the Commission require non-residents to maintain the same books and records and to provide the same disclosure that it requires of residents who register as advisers in Ontario. The Commission should additionally require that the non-resident adviser's books and the records be readily available to Ontario investors for inspection on request.

Response:

International advisers are exempt from certain registration requirements because they are limited in their permitted activities, with the result that the Commission need not regulate them in the same way as advisers whose activities are not so restricted. The purpose behind the Proposed Rule is to allow the Commission, through the registration process, to know who the people or companies are that are providing advisory services in Ontario from outside Ontario, but not to regulate how they conduct that business. International advisers are not exempt from subsection 19(3) of the Act, which provides that market participants must make available to the Commission the books and records that the market participants are required to keep under Ontario securities laws. The books and records of any registrant are not available to investors except for those pertaining to the investors' own accounts.

Requiring Standards of Fairness

One commenter noted that the 1998 Draft Rule would require an international adviser to maintain the same standards of fairness for the allocation of investment opportunities as a resident investment counsel but that the international adviser is not required to file a copy of those standards with the Commission or to furnish a copy to its clients. The commentator also noted that the international adviser is not required to document additional important standards of fairness, such as personal investing and priority of transactions. The commenter suggested the Commission require international advisers to develop a written fairness standard that addresses these issues and to require them to submit it to the Commission so that it may be subject to regulatory and public review. The commenter also suggested that clients be made aware of the policy.

Response:

The Commission agreed with this comment and has revised the Proposed Rule to impose upon international advisers requirements similar to those that apply under subsection 115(1) of the Regulation to investment counsel.

Restricted Advisory Activities for International Advisers

One commenter felt that the rationale of two of the provisions of Part 6 of the 1998 Draft Rule were unclear. The first was section 6.4, which prohibits international advisers from advising in respect of Canadian securities on other than an incidental basis. The other was section 6.5, which limits the percentage of consolidated gross revenues that can arise from the international adviser acting as adviser for clients in Canada.

Response:

The purpose of these sections is to ensure the integrity of the underlying policy of providing access to foreign advisers whose main business activity is outside of Canada, while not encouraging businesses to locate outside of Canada for the purpose of avoiding registration requirements. The Commission recognizes that it is a benefit to Canadian investors to be able to have access to advice concerning foreign securities which may otherwise not be available in Canada, but believes any investment adviser located outside of Canada who wishes to provide advice with respect to Canadian securities ought to become fully registered as an adviser (investment counsel portfolio manager) under the Act. Similarly, if a substantial portion of that investment adviser's business arises from its activities in Canada, the Commission believes that such adviser ought to become fully registered. The Proposed Rule has, however, been amended to provide guidance on the evaluation of "incidental".

Exemptions from Registration

One commenter was pleased to see that Part 7 of the 1998 Draft Rule substantially continues the regulatory regime provided by Policy 4.8. The commenter believed that the

exemptions provided by Part 7 have worked well in the marketplace and ought to be continued as proposed.

One commenter felt that the 1998 Draft Rule provided very limited exemptions based on the Commission's assessment of the "public interest", without any justification therefor. The commentator gave the example of section 7.1 which has limitations on the type and number of clients in Canada that one may have on an unsolicited basis. It was pointed out that the *Commodity Futures Act* has no such limitation.

Response:

The 1998 Draft Rule was and the Proposed Rule is intended to maintain the status quo established by Policy 4.8. The Commission is not reconsidering exemption policies at the moment but may do so during the streamlining of registration categories.

One commenter pointed out an apparent typographical error in subsection 7.3(2) of the 1998 Draft Rule, in that the first line of this subsection refers to paragraph (1)(c), whereas the correct reference would appear to be (1)(b).

Response:

The commenter is correct. This section has been reworked in the Proposed Rule.

Another commenter expressed concern with regard to an apparent change in the sub-adviser exemption set out in section 7.3 of the 1998 Draft Rule. Policy 4.8 provides that a non-resident adviser does not need to register as an adviser in order to act as an adviser for a registered adviser or for a registered broker or investment dealer. The commenter took the view that "registered adviser" included an international adviser, allowing them to engage a non-registered sub-adviser. In the 1998 Draft Rule, the exemption applies to a non-resident adviser who acts as an adviser to "...an investment counsel or a portfolio manager, for a broker or investment dealer acting as a portfolio manager under subsection 148(1) of the Regulation...". This change suggests that an international adviser would not be able to engage an exempt sub-adviser. The commenter suggested the 1998 Draft Rule be amended to refer again to "registered adviser" or alternatively, to include the language "international adviser" in the exemption. It was also suggested that other categories of advisers, such as financial advisers and securities advisers, would also benefit from a similar change.

Response:

The Commission intended that the registered adviser be a full registrant. It would be inappropriate to allow an exempted sub-adviser to be engaged by an adviser who is already exempted from many of the requirements normally imposed on advisers.

One commenter questioned why section 7.9 of the 1998 Draft Rule, which provides an exemption for a fund that is distributed primarily abroad and only privately placed in Canada through a registrant, requires a registrant in a situation in which a registration exemption would be available. The commenter suggested that this would result in many private placements to

sophisticated Ontario residents not being feasible thus removing investment opportunities from Ontario investors.

Response:

The exemption in section 7.9 of the 1998 Draft Rule does not require the fund to be distributed by registrants in other provinces of Canada; it only requires it to be sold by registrants in Ontario. This is in keeping with the requirements of "universal registration", which would typically require, at a minimum, that a limited market dealer be involved in prospectus-exempt trades to Ontario registrants.

Response:

The Commission believes the additional expense of retaining a qualified custodian to be justified by the additional protections afforded by the provisions of section 3.3 of the Draft Rule.

Legal Rights Against a Non-Resident

One commenter was concerned about the possibility that Ontario investors would not be able to take legal action and collect judgments against a non-resident adviser who might not fall under Ontario's jurisdiction. The commenter strongly supported the requirements of disclosure to clients of the potential difficulty in enforcing legal rights against the international adviser. However, the commenter recommended that the 1998 Draft Rule be amended to require resident registered advisers to obtain a written agreement from the international sub-adviser that in the event of any litigation within the province of Ontario, the international sub-adviser agrees to maintain the litigation in Ontario.

Response:

Section 3.8 of the 1998 Draft Rule, now section 3.4 of the Proposed Rule, provides for written disclosure to Ontario clients regarding the potential difficulty of enforcing any legal rights against the international adviser. The Commission does not believe a written agreement by the international sub-adviser is necessary as, pursuant to sections 7.3(b) and 7.5(b) of the Proposed Rule, the Ontario registrant assumes responsibility for the advice being given by the sub-adviser.

Custody of Assets

One commenter was concerned about the custody requirements applicable to the holding of assets of clients of international advisers. It was noted that U.S. investment advisers which are also registered as broker-dealers with the Securities and Exchange Commission (the "SEC") are exempt from the custody rules under the *Investment Advisers Act of 1940* if they comply with the net capital requirements applicable to broker-dealers under the *Securities Exchange Act of 1934*. It was suggested that the 1998 Draft Rule be amended to recognize U.S. broker dealers subject to the SEC net capital requirements as acceptable custodians, so as to spare Ontario clients utilizing the services of a U.S. broker dealer registered as an international adviser the cost of involving a U.S. bank or other qualifying financial institution as custodian of their assets managed by that broker-dealer.

**ONTARIO SECURITIES COMMISSION RULE 35-502
NON-RESIDENT ADVISERS**

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ONTARIO SECURITIES COMMISSION RULE 35-502
NON-RESIDENT ADVISERS¹

PART 1 DEFINITIONS AND INTERPRETATION²

1.1 Definitions - In this Rule

"book-based system" has the meaning ascribed to that term in National Instrument 81-102 Mutual Funds;

"Canadian security" means a security other than a foreign security;

"extra-provincial adviser" means a person or company that is registered or applying for registration as an adviser under the Act, other than an international adviser or international adviser applicant, and that does not have a place of business in Ontario with partners, officers or representatives resident in Ontario who are acting on its behalf in Ontario;

"foreign security" has the meaning ascribed to that term in subsection 204(1) of the Regulation;

"Form 3" and "Form 4" mean Form 3 or Form 4 to the Regulation, respectively;

"fund" means a mutual fund or a non-redeemable investment fund³;

"international adviser applicant" means a person or company applying for registration as an international adviser⁴ under the Act;

"international adviser" means

- (a) a person or company that has been granted registration as an international adviser (investment counsel or portfolio manager) under the Act, and
- (b) a registrant whose registration is subject to the restrictions set out in former Rule *In the Matter of Certain Advisers* (1997), 20 OSCB 1217, as amended;

"manager" means the person or company that directs the business, operations or affairs of a fund;

"Ontario client" means a permitted client who is ordinarily resident in Ontario;

"permitted client" means one of the following clients:

1. A bank listed in Schedule I or II to the *Bank Act* (Canada), acting as principal or as agent for accounts fully managed by it.
2. A loan corporation or trust corporation registered under the *Loan and Trust Corporations Act*, acting as principal or as trustee or agent for accounts fully managed by it.
3. An insurance company licensed under the *Insurance Act*.
4. Each of a treasury branch, credit union or caisse populaire that, in each case, is authorized to carry on business in Ontario.
5. The Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada).
6. Her Majesty in right of Canada or of any jurisdiction⁵.
7. A portfolio manager⁶ acting as principal or as agent for accounts fully managed by it.

¹ This proposed Rule is based on OSC Policy Statement No. 4.8, now the Rule *In the Matter of Certain Advisers* (1997), 20 OSCB 1217, as amended.

² A general definition rule has been adopted as Rule 14-501 Definitions ("Rule 14-501"). It contains definitions of certain terms used in more than one rule. Rule 14-501 also provides, among other things, that terms used in a rule and defined in section 1 of the *Securities Act* or subsection 1(2) of the Regulation will have the respective meaning given to them in the *Securities Act* or Regulation, as appropriate. Rule 14-501 also incorporates terms defined in National Instrument 14-101 Definitions ("NI 14-101"). NI 14-101 contains, among other things, definitions for terms used in more than one national instrument.

³ The term "non-redeemable investment fund" is defined in Rule 14-501 as meaning "an issuer (a) whose primary purpose is to invest money provided by its securityholders; (b) that does not invest for the purpose of exercising effective control, seeking to exercise effective control, or being actively involved in the management of the issuers in which it invests, other than other mutual funds or non-redeemable investment funds; and (c) that is not a mutual fund".

⁴ Section 99 of the Regulation will be amended to add "international adviser (investment counsel or portfolio manager)" as an additional category of adviser registration.

⁵ The term "jurisdiction" is defined in NI 14-101 as meaning "a province or territory of Canada except when used in the term foreign jurisdiction".

⁶ The term "portfolio manager" is defined in Rule 14-501 as meaning "a person or company that is registered under the Act in the category of portfolio manager".

8. A broker⁷ or investment dealer⁸ acting as principal or, as permitted by section 148 of the Regulation, as agent for accounts fully managed by it.
9. A pension fund that is regulated either by the Office of the Superintendent of Financial Institutions (Canada) or by a provincial pension commission, or a group of pension funds that are so regulated, if the pension fund has, or the group of pension funds have, net assets of at least \$100 million, or its equivalent in another currency, provided that, in determining net assets, the liability of the pension fund for future pension payments shall not be included.
10. A registered charity under the ITA⁹ with assets not used directly in charitable activities or administration of at least \$5 million or its equivalent in another currency.
11. An individual who has a net worth of at least \$5 million or its equivalent in another currency, excluding the value of his or her principal residence, as certified by the individual.
12. A person or company that is entirely owned, legally and beneficially, by an individual or individuals referred to in paragraph 11, who hold its or their ownership interest in the person or company directly or through a trust the trustee¹⁰ of which is a trust company registered under the *Loan and Trust Corporations Act*.
13. A corporation that has shareholders' equity of at least \$100 million on a consolidated basis or its equivalent in another currency.
14. A fund that distributes its securities in Ontario, if the manager of the fund
 - (a) is ordinarily resident in a jurisdiction and is registered under the Act as a

portfolio manager, broker, investment dealer or mutual fund dealer¹¹, or is registered under Canadian securities legislation other than the Act in an equivalent category of registration, and

(b) is a party to the contract under which the international adviser provides investment advice or portfolio management services to the fund.

15. A fund that distributes its securities in Ontario only to persons or companies referred to in paragraphs 1 through 13 or described in section 7.7 or 7.8;

"portfolio adviser" means a person or company that provides investment advice or portfolio management services under a contract with a fund or with the manager of the fund; and

"submission to jurisdiction and appointment of agent for service of process form" means, for an international adviser, the form set out in Appendix A to this Rule and, for a partner, officer or representative of an international adviser, the form set out in Appendix B to this Rule.

- 1.2 **Extended Meaning of Affiliates** - An international adviser that is a partnership is considered to be affiliated with another partnership or with a company, and an international adviser that is a company is considered to be affiliated with a partnership, if the partnerships, or the partnership and the company, would be affiliates of each other under the definition of "affiliated companies" in the Act, if that definition and the related definitions of "controlled companies" and "subsidiary companies" were each read as if references to a "company" were references to a "partnership".

PART 2 INTERNATIONAL ADVISER APPLICANTS

2.1 Completion of Form 3

- (1) An international adviser applicant shall complete and execute a Form 3 and shall indicate in response to question 1 of Form 3 that the applicant is applying for registration as an international adviser.
- (2) An international adviser applicant is not required to complete item 3 of Form 3.
- (3) An international adviser applicant is not required to complete item 11 of Form 3, other than item 11A(b).

⁷ The term "broker" is defined in Rule 14-501 as meaning "a person or company registered under the Act in the category of broker".

⁸ The term "investment dealer" is defined in Rule 14-501 as meaning "a person or company registered under the Act in the category of investment dealer".

⁹ The term "ITA" is defined NI 14-101 as meaning "the *Income Tax Act (Canada)*".

¹⁰ The term "trustee" is defined in Rule 14-501 as meaning "a person or company named as trustee under a trust indenture". The term "trust indenture" is defined as meaning "a document by which an issuer issues securities and in which a trustee is appointed for the holders of the securities issued under the document".

¹¹ The term "mutual fund dealer" is defined in Rule 14-501 as meaning "a person or company registered under the Act in the category of mutual fund dealer".

- (4) An international adviser applicant, in responding to items 9 and 10 of Form 3, need only list and provide information about
 - (a) its partners, officers or representatives who will be acting on its behalf in respect of the business of the international adviser applicant in Ontario; and
 - (b) each director of the international adviser applicant.¹²

2.2 Completion of Form 4 - A person that applies for registration as a partner, officer or representative, or that seeks approval as a partner, officer, representative or director, listed in the international adviser's Form 3 pursuant to section 2.1(4) shall complete and execute a Form 4, unless the information required by Form 4 has previously been filed by the applicant and the information as previously filed is current and correct as of the date of application, but is not required to complete items 7, 8, 10, 20 and 21 of Form 4.

PART 3 INTERNATIONAL ADVISERS

3.1 General Requirements

- (1) No registration or renewal of registration shall be granted to an international adviser applicant or an international adviser unless the international adviser applicant or the international adviser has complied with the requirements of this Rule and any applicable requirements of the Regulation at the time of the granting of the registration or the renewal of registration.
- (2) An international adviser and each of its partners, officers or directors registered under the Act shall comply with the requirements of this Rule and any other applicable requirements of Ontario securities law.
- (3) The Commission may prescribe conditions of registration for an international adviser or its registered partners, officers or representatives, or for a group of international advisers or group of its or their registered partners, officers or representatives, that are in lieu of some or all of the conditions of registration set forth in this Rule, if the Commission gives prior notice of the proposed conditions to those persons or companies affected and affords them an opportunity to be heard and the Commission publishes notice in a publication published by the Commission of each instance when it so prescribes.

¹² Section 101 of the Regulation will be amended effectively to exclude international advisers from the requirements of Part V of the Regulation, except to the extent provided in this Rule. Accordingly, the provisions of clauses 129(a) and (b) of the Regulation, setting out the otherwise applicable requirements to complete and file a Form 3 and a Form 4, respectively, will not apply to international advisers.

3.2 Acquisition of an Interest in Another Registrant - An international adviser is subject to the requirements of section 104 of the Regulation or Part 4 of Rule 33-503 Change of Registration Information when it becomes effective.

3.3 Record Keeping and Production of Records and Witnesses

- (1) An international adviser is subject to the requirements relating to record keeping set out in subsections 113(1), (2) and (4) of the Regulation.
- (2) If the laws of the foreign jurisdiction¹³ in which the books, records or documents referred to in subsection 19(3) of the Act of an international adviser are located prohibit production of the books, records or documents in Ontario without the consent of the relevant client, an international adviser shall, upon a request by the Commission under subsection 19(3) of the Act
 - (a) so advise the Commission; and
 - (b) use its best efforts to obtain the client's consent to the production of the books, records or documents.
- (3) At the request of the Director, the Commission or a person appointed by the Commission to make an investigation under the Act relating to the international adviser's activities in Ontario, an international adviser shall
 - (a) immediately produce in Ontario, at the international adviser's expense, appropriate persons in its employ as witnesses to give evidence on oath or otherwise;
 - (b) if the appropriate persons referred to in paragraph (a) are not in its employ, use its best efforts immediately to produce in Ontario, at the international adviser's expense, the persons to give evidence on oath or otherwise, subject to the laws of the foreign jurisdiction that are otherwise applicable to the giving of evidence; and
 - (c) if the laws of a foreign jurisdiction that are otherwise applicable to the giving of evidence prohibit the international adviser or the persons referred to in paragraph (a) from giving the evidence without the consent of the relevant client
 - (i) so advise the Commission or the person making the request, and

¹³ The term "foreign jurisdiction" is defined in NI 14-101 as meaning "a country other than Canada, or a political subdivision of a country other than Canada".

- (ii) use its best efforts to obtain the client's consent to the giving of the evidence.

3.4 Standards Ensuring Fairness - An international adviser shall adopt and maintain standards directed to ensuring fairness in the allocation of investment opportunities among the Ontario clients of the investment counsel and a copy of the standards so established shall be furnished to each Ontario client of the international adviser and filed with the Commission.

3.5 Compensation of Partners, Officers or Representatives of International Advisers - An international adviser shall not compensate its partners, officers or representatives in a manner that is based upon the value or the volume of the transactions initiated for the Ontario clients of the international adviser.

3.6 Supervision of Accounts - Subsections 115(3) and (4) of the Regulation apply to an international adviser.

3.7 Holding of Client Assets

(1) Subject to subsections (2) and (3), an international adviser shall ensure that the securities and money of an Ontario client are held

(a) by the Ontario client; or

(b) by a custodian or sub-custodian

(i) that meets the requirements prescribed for acting as a custodian or sub-custodian of a mutual fund in National Instrument 81-102¹⁴, and

(ii) that is subject to the agreement announced by the Bank for International Settlements on July 1, 1988 concerning international convergence of capital measurement and capital standards.

(2) An international adviser or an affiliate of the international adviser that holds the securities or money of an Ontario client as custodian or sub-custodian shall hold the securities and money in compliance with sections 116, 117, 118 and 119 of the Regulation.

(3) The securities of an Ontario client may be deposited with or delivered to a depository or clearing agency that is authorized to operate a book-based system.

3.8 Renewals of Registration - Sections 130 to 133 of the Regulation apply to an international adviser and each of its registered partners, officers and representatives.

3.9 Examinations - Section 134 of the Regulation applies to an international adviser and each of its registered partners, officers and representatives.

3.10 Amendments to Registration - Sections 135 and 136 of the Regulation apply to an international adviser and each of its registered partners, officers and representatives.

3.11 Conducting an Audit at the Request of the Commission - Section 145 of the Regulation applies to an international adviser.

3.12 Disclosure of Status to Clients - An international adviser shall deliver to an Ontario client, before acting as an adviser to the Ontario client, a statement in writing disclosing

(a) to the extent applicable, that there may be difficulty enforcing any legal rights the Ontario client may have against the international adviser because

(i) the international adviser is ordinarily resident outside Canada and all or a substantial portion of its assets are situated outside Canada, and

(ii) if applicable, that the laws of the foreign jurisdiction in which the books, records and documents referred to in subsection 19(3) of the Act of the international adviser are located prevent the production of those books, records and documents in Ontario; and

(b) that the international adviser is not fully subject to the requirements of the Act and the regulations concerning proficiency, capital, insurance, record keeping, segregation of funds and securities and statements of account and portfolio.

3.13 Disclosure of Status in Offering Documents - A prospectus filed in Ontario for a fund whose portfolio adviser is an international adviser, or whose portfolio adviser receives investment advice or portfolio management services from an international adviser, shall disclose the matters referred to in section 3.12.

PART 4 EXEMPTION FROM FINANCIAL STATEMENT PREPARATION AND FILING REQUIREMENTS

4.1 Exemption from Financial Statement Preparation Requirements and Filings - An application under section 147 of the Act for an exemption from the requirement of subsection 21.10(3) of the Act that registrants file annual audited financial statements

¹⁴ Part 6 of National Instrument 81-102 prescribes institutions that qualify to act as custodians and sub-custodians for mutual funds.

may consist of the following sentence if the international adviser applicant or the international adviser is not applying for registration, and is not registered, in any category of registration in addition to registration as a international adviser and if the application is made by an international adviser applicant concurrently with the filing of an application for registration or by an international adviser before or on the first anniversary of registration as an adviser after the date this Rule comes into force:

"We hereby apply for an exemption from the requirement of the Act that registrants file annual audited financial statements. We understand that this exemption will terminate if we become a registrant in another category of registration under the Act."

4.2 Order Granting Exemption - The issuance by the Director of a certificate of registration or renewal of registration to the international adviser applicant or to the international adviser is evidence of the approval of the application made under section 4.1, if that section has been complied with, unless the exemption request is denied in writing by the Director.

PART 5 EXEMPTION FROM REPORTING OF CERTAIN CHANGES

5.1 Exemption from Reporting of Certain Changes under the Act - An application under subsection 33(4) of the Act for an exemption from the requirement of subsection 33(2) of the Act that advisers notify the Director of the changes in information required to be reported under that subsection, to the extent that the change required to be reported relates to information that was not required to be furnished to the Director upon the filing of the application for registration by an international adviser, may consist of the following sentence if the international adviser applicant or the international adviser is not applying for registration, and is not registered, in any category of registration in addition to registration as a international adviser and if the application is made by an international adviser applicant concurrently with the filing of an application for registration or by an international adviser before or concurrently with the first anniversary of registration as an adviser made after the date this Rule comes into force:

"Subsection 33(2) of the Ontario Securities Act requires advisers to notify the Director of changes in the information required to be reported by that subsection. We hereby apply for an exemption from these requirements to the extent that the change relates to information that was not required to be furnished to the Director upon the filing of our application for registration as an international adviser. We understand that this exemption will terminate if we become a

registrant in another category of registration under the Act."

5.2 Order Granting Exemption - The issuance by the Director of a certificate of registration or renewal of registration to the international adviser applicant or the international adviser is evidence of the approval of the application made under section 5.1, if that section has been complied with, unless the exemption request is denied in writing by the Director.

5.3 Exemption from Rule 35-503 - Despite Rule 35-503 Change of Registration Information, an international adviser is not required to file an amendment to its registration or to notify the Director of a notifiable change¹⁵ relating to information that was not required to be furnished to the Director upon the filing of the applicant's application for registration as an international adviser.

PART 6 RESTRICTED ADVISORY ACTIVITIES FOR INTERNATIONAL ADVISERS

6.1 Permitted Clients

- (1) An international adviser shall only act as an adviser in Ontario for permitted clients.
- (2) In determining whether a permitted client that is a pension fund, group of pension funds, registered charity or corporation meets the financial requirements referred to in paragraphs 9, 10 and 13 of the definition of a "permitted client" in section 1.1, the international adviser may rely on the most recent audited financial statements of the permitted client.
- (3) The financial requirements referred to in paragraphs 9, 10, 11 and 13 of the definition of the term "permitted client" in section 1.1 are only required to be satisfied at the time the international adviser first acts as an adviser for the client.
- (4) Despite subsection (2), if an international adviser was acting as an adviser for a client on June 1, 1992 and has acted for that client continuously since that date, the financial requirements referred to in section 1.1 may be satisfied as of June 1, 1992.

6.2 Indirect Advising - An international adviser shall not act as an adviser in Ontario to a person or company that is not a permitted client indirectly, by providing investment advice or portfolio management services through another person or company, other than a person or company referred to in paragraphs 1, 2, 7

¹⁵ The term "notifiable change" is defined in Rule 33-503 as meaning "any change to information about a registrant for which notice to the Director is required after the change in information as set out in Part 3 of [that] Rule".

or 8 of the definition of "permitted client" in section 1.1 or except as permitted by Part 7.

6.3 Advising in Another Country - An international adviser shall not act as an adviser in Ontario for a type of security unless it is engaged in the business of an adviser in a foreign jurisdiction for that type of security.

6.4 Advising in Respect of Foreign Securities - An international adviser shall not act as an adviser in Ontario for Canadian securities unless this activity is incidental to its acting as an adviser in Ontario for foreign securities. Whether the activity can be considered to be incidental shall be evaluated from the point of view of the adviser and not the client.

6.5 Limitation on Revenues - No more than 25 per cent of the aggregate consolidated gross revenues from advisory activities of an international adviser and its affiliates or affiliated partnerships, in any financial year of the international adviser, shall arise from the international adviser and its affiliates or affiliated partnerships acting as advisers for clients in Canada.

PART 7 EXEMPTIONS FROM REGISTRATION

7.1 Unsolicited Advising of not More than Five Clients in Canada

- (1) The adviser registration requirement¹⁶ does not apply to a person or company, not ordinarily resident in Ontario, if
 - (a) it, and its affiliates or affiliated partnerships that are not ordinarily resident in Ontario, did not act as an adviser during the preceding 12 months for more than five clients in Canada;
 - (b) it acts as an adviser in Ontario in reliance upon the exemption provided by this section solely for permitted clients, other than a fund;
 - (c) it does not solicit clients in Ontario;
 - (d) its acting as an adviser in Ontario for Canadian securities is incidental to its acting as an adviser in Ontario for foreign securities;
 - (e) before advising an Ontario client, it notifies the Ontario client that it is not registered as an adviser in Ontario; and

(f) all assets of its Ontario clients are held by persons or companies that meet the requirements of paragraph 3.7(1) or are referred to in subsection 3.7(3).

(2) For purposes of paragraph (1)(a), in determining if a person or company has acted as an adviser for more than five clients in Canada

(a) two or more persons who are or intend to become the joint registered owners of securities or an account in respect of which the person or company acts as an adviser are counted as one client;

(b) a person or company acting as trustee or agent for more than one fully managed account is counted as one client;

(c) clients referred to in sections 7.2 through 7.9 are excluded; and

(d) clients who would be excluded by sections 7.2 through 7.9 if they were residents of Ontario are excluded.

7.2 Commodity Pool Programs - The adviser registration requirement does not apply to a person or company, not ordinarily resident in Ontario, that is registered under the *Commodity Futures Act*, in connection with that person or company acting as a portfolio adviser to a mutual fund that is subject to National Instrument 81-104 Commodity Pools or to a non-redeemable investment fund that would be subject to that National Instrument if it were a mutual fund.

7.3 Sub-Adviser for a Registrant

(1) The adviser registration requirement does not apply to a person or company, not ordinarily resident in Ontario, in connection with that person or company acting as an adviser for an investment counsel or portfolio manager, or for a broker or investment dealer acting as a portfolio manager as permitted by subsection 148(1) of the Regulation, if

(a) the obligations and duties of the person or company so acting as an adviser are set out in a written agreement with the registrant;

(b) the registrant contractually agrees with its clients on whose behalf investment advice is or portfolio management services are to be provided to be responsible for any loss that arises out of the failure of the person or company so acting as an adviser

(i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the registrant and each client of the registrant for whose benefit the advice

¹⁶ The term "adviser registration requirement" is defined in National Instrument 14-101 as meaning "the requirement in securities legislation that prohibits a person or company from acting as an adviser unless the person or company is registered in the appropriate category of registration under securities legislation".

is or portfolio management services are to be provided, or

(ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

(c) the registrant cannot be relieved by its clients from its responsibility for loss under paragraph (b); and

(d) the person or company so acting as an adviser, if a resident of a jurisdiction, is registered as an adviser in the jurisdiction.

7.4 Advising Funds Outside Ontario - The adviser registration requirement does not apply to a person or company, not ordinarily resident in Ontario, in connection with that person or company acting as a portfolio adviser to a fund that does not have an address in Ontario, if

(a) advice to the fund is given and received or portfolio management services are provided outside of Ontario; and

(b) the person or company is registered in a jurisdiction in a category of registration that permits the person or company to provide discretionary portfolio management services or as a broker or investment dealer acting as a portfolio manager as permitted by a provision similar to subsection 148(1) of the Regulation.

7.5 Advising Advisers to Funds Outside Ontario - The adviser registration requirement does not apply to a person or company, not ordinarily resident in Ontario, in connection with that person or company acting as an adviser to a portfolio adviser to a fund exempted from the adviser registration requirements under section 7.4, if

(a) the obligations and duties of the person or company are set out in a written agreement with the portfolio adviser to the fund;

(b) the portfolio adviser to the fund contractually agrees with the fund to be responsible for any loss to the fund that arises out of the failure of the person or company

(i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the fund, or

(ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

(c) the portfolio adviser to the fund cannot be relieved by the fund or its securityholders from its responsibility for loss under paragraph (b); and

(d) the person or company, if a resident of a jurisdiction, is registered as an adviser in the jurisdiction.

7.6 Advising Pension Funds of Affiliates - The adviser registration requirement does not apply to a person or company, not ordinarily resident in Ontario, in connection with that person or company acting as an adviser for a pension fund sponsored by an affiliate of the person or company for the benefit of the employees of the affiliate or affiliates of the affiliate.

7.7 Distributions to Existing Holders - The adviser registration requirement does not apply to a person or company, not ordinarily resident in Ontario, in connection with that person or company acting as a portfolio adviser to a fund, if the fund

(a) does not have an address in Canada;

(b) is not organized under the laws of Canada or a jurisdiction; and

(c) only distributes securities to a person or company in Ontario in a distribution to which the prospectus requirements of the Act would apply but for the availability of one or more of the exemptions contained in

(i) Rule 81-501 Mutual Fund Reinvestment Plans,

(ii) subclause 72(1)(f)(iii) of the Act, or

(iii) in a transaction in which securities of the fund are acquired by substantially all holders of securities of a class of the fund or another fund that has the same portfolio adviser.

7.8 Existing Privately Placed Funds - The adviser registration requirement does not apply to a person or company, not ordinarily resident in Ontario, in connection with that person or company acting as a portfolio adviser to a fund, if the fund

(a) has sold its securities in Ontario in a distribution to which the prospectus requirements of the Act would apply but for the availability of one or more of the exemptions contained in clause 72(1)(a) or (c) of the Act, in clause 72(1)(d) or (p) of the Act subject to compliance with the requirements of Rule 45-501 Prospectus Exempt Distributions, or in subsection 1.2(a) of Rule 32-503 Registration and Prospectus Exemption for Trades by Financial Intermediaries in Mutual Fund Securities to Corporate Sponsored Plans; and

- (b) only distributes securities to a person or company in Ontario in a distribution to which the prospectus requirements of the Act would apply but for the availability of one or more of the exemptions contained in
 - (i) Rule 81-501 Mutual Fund Reinvestment Plans,
 - (ii) subclause 72(1)(f)(iii) of the Act, or
 - (iii) in a transaction in which securities of the fund are acquired by substantially all holders of securities of a class of the fund or another fund that has the same portfolio adviser.

7.9 Funds Managed Under Prior Legislation - The adviser registration requirement does not apply to a person or company, not ordinarily resident in Ontario, in connection with that person or company acting as a portfolio adviser to a fund, if

- (a) the person or company or an affiliate of the person or company has acted continuously as a portfolio adviser to the fund since before May 1, 1967;
- (b) securities of the fund have continuously been distributed in Ontario since May 1, 1967 by means of a prospectus prepared and filed in accordance with the Act or its predecessor legislation; and
- (c) the person or company has not been registered as an adviser.

7.10 Privately Placed Funds Offered Primarily Abroad - The adviser registration requirement does not apply to a person or company, not ordinarily resident in Ontario, in connection with the person or company acting as a portfolio adviser to a fund, if the securities of the fund are

- (a) primarily offered outside of Canada;
- (b) only distributed in Ontario through one or more registrants; and
- (c) distributed in Ontario in reliance upon an exemption from the prospectus requirements of the Act.

7.11 Disclosure in Offering Documents - A prospectus filed in Ontario for a fund whose portfolio adviser is relying upon an exemption from the adviser registration requirements provided by this Part, or whose portfolio adviser receives investment advice or portfolio management services from a person or company that relies upon an exemption from the adviser registration requirements provided by this Part, shall include disclosure that

- (a) if the person or company is advising a registrant in reliance on the exemption in

section 7.3 or a portfolio adviser in reliance upon the exemption in section 7.5, the registrant or portfolio adviser has responsibility for the investment advice given or portfolio management services provided by the person or company; and

- (b) to the extent applicable, there may be difficulty in enforcing any legal rights against the person or company because it is resident outside Canada and all or a substantial portion of its assets are situated outside Canada.

PART 8 EXTRA-PROVINCIAL ADVISERS

8.1 Registration in Another Province - A person or company applying for registration as an adviser under the Act that is an extra-provincial adviser shall be registered under securities legislation of the jurisdiction in which the head office or principal place of business of the person or company is located in a category of registration that permits the person or company to carry on the activities in that jurisdiction that registration as an adviser under the Act would permit the person or company to carry on in Ontario.

8.2 Change in Registration Status in Another Jurisdiction - An extra-provincial adviser shall inform the Director immediately upon the extra-provincial adviser becoming aware that the registration of the extra-provincial adviser in another jurisdiction

- (a) is not being renewed, is lapsing or is being suspended, cancelled, revoked or is becoming restricted by the imposition of any terms or conditions; or
- (b) is the subject of an investigation by a securities regulatory authority other than the Commission.

8.3 Counselling Officer Resident in Ontario - An extra-provincial adviser shall have at least one officer resident in Canada who is registered as a senior counselling officer in accordance with O.S.C. Registration Section Clarification Note 2.

PART 9 SUBMISSION TO JURISDICTION AND APPOINTMENT OF AGENT FOR SERVICE OF PROCESS FORMS

9.1 Submission to Jurisdiction - An international adviser, an extra-provincial adviser and each partner, officer or representative of an international adviser or an extra-provincial adviser seeking registration under the Act shall file as part of his, her or its application for registration an executed submission to jurisdiction and appointment of agent for service of process form.

9.2 Disclosure of Submission to Jurisdiction to Clients - An international adviser or an extra-provincial adviser shall deliver to an Ontario client, before acting as an adviser to the Ontario client, a statement in writing disclosing the name and address of the agent for service of process of the international adviser or extra-provincial adviser in Ontario appointed by the international adviser or extra-provincial adviser or that this information is available from the Commission.

9.3 Disclosure of Submission to Jurisdiction in Offering Documents - A prospectus filed in Ontario for a fund whose portfolio adviser is an international adviser or an extra-provincial adviser, or whose portfolio adviser receives investment advice or portfolio management services from an international adviser or an extra-provincial adviser, shall disclose the matters referred to in section 9.2.

PART 10 EXEMPTION

10.1 Exemption - The Director may grant an exemption to this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

**ONTARIO SECURITIES COMMISSION RULE 35-502
NON-RESIDENT ADVISERS**

APPENDIX A

**FORM OF SUBMISSION TO JURISDICTION AND
APPOINTMENT OF AGENT
FOR SERVICE OF PROCESS BY A
NON-RESIDENT ADVISER**

1. Name of the applicant (the "Applicant"): _____

2. Jurisdiction of incorporation or organization of the Applicant: _____
3. Name of agent for service of process (the "Agent"): _____

4. Address for service of process of the Agent in Ontario: _____

5. The Applicant designates and appoints the Agent at the address stated above as its agent upon whom may be served any notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (each, a "Proceeding") arising out of or relating to or concerning the Applicant's activities as an adviser in Ontario, and irrevocably waives any right to raise as defence in any Proceeding any alleged lack of jurisdiction to bring that Proceeding.
6. The Applicant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of Ontario and any administrative proceeding in Ontario, in any Proceeding arising out of or related to or concerning the Applicant's activities as an adviser in Ontario.
7. Until six years after the Applicant ceases to be registered as an adviser in Ontario, the Applicant shall file
 - (a) a new Submission to Jurisdiction and Appointment of Agent for Service of Process in this form at least 30 days before termination for any reason of this Submission to Jurisdiction and Appointment of Agent for Service of Process and immediately after the death or incapacity of the Agent or the Agent ceasing to carry on business; and
 - (b) an amended Submission to Jurisdiction and Appointment of Agent for Service of Process at least 30 days before any change in the name or address of the Agent from that set forth above.

8. This Submission to Jurisdiction and Appointment of Agent for Service of Process is governed by and construed in accordance with the laws of Ontario.

Acceptance

The undersigned accepts the appointment as agent for service of process of _____ (**Insert name of Applicant**) under the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service of Process and agrees to deliver to the Ontario Securities Commission (the "Commission") a copy of each document served on the undersigned as agent for service of process of the Applicant, within five days of the date the document was served on the undersigned, and to advise the Commission immediately if the undersigned is unable to deliver to the Applicant a copy of a document served on the undersigned as Agent.

Dated: _____

[Name of Applicant]

By: _____
(Signature of authorized signatory)

(Name and title of authorized signatory)

Dated: _____

(Signature of Agent or authorized signatory)

(Name and Title of Authorized Signatory)

**ONTARIO SECURITIES COMMISSION RULE 35-502
NON-RESIDENT ADVISERS**

APPENDIX B

FORM OF SUBMISSION TO JURISDICTION AND
APPOINTMENT OF AGENT FOR SERVICE OF PROCESS
BY NON-RESIDENT PARTNERS, OFFICERS OR
REPRESENTATIVES OF A NON-RESIDENT ADVISER

1. Name of the adviser (the "Registrant"): _____

2. Jurisdiction of incorporation or organization of the Registrant: _____
3. Name and address of person filing this form (the "Filing Person"): _____

4. Name of agent for service of process (the "Agent"): _____
5. Address for service of process of the Agent in Ontario: _____

6. The Filing Person designates and appoints the Agent at the address of the Agent stated above as its agent upon whom may be served a notice, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (each, a "Proceeding") arising out of or relating to or concerning the Filing Person's activities in Ontario as a registrant under the *Securities Act* (Ontario) (the "Act"), and irrevocably waives any right to raise as a defence in any Proceeding any alleged lack of jurisdiction to bring that Proceeding.
7. The Filing Person irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial and administrative tribunals of Ontario and any administrative proceeding in Ontario, in any Proceeding arising out of or related to or concerning the Filing Person's activities in Ontario as a registrant under the Act.
8. Until the earlier of the termination of the Filing Person's position as a partner, officer or representative of the Registrant and six years after the Registrant ceases to be a registrant under the Act, the Filing Person shall file
 - (a) a new Submission to Jurisdiction and Appointment of Agent for Service of Process in this form at least 30 days prior to termination for any reason of this Submission to Jurisdiction and Appointment of Agent for Service of Process and immediately after the death or incapacity of the Agent or the Agent ceasing to carry on business; and

- (b) an amended Submission to Jurisdiction and Appointment of Agent for Service of Process at least 30 days before any change in the name or address of the Agent as set forth above.

9. This Submission to Jurisdiction and Appointment of Agent for Service of Process is governed by and construed in accordance with the laws of Ontario.

Dated: _____

(Signature of Filing Person)

(Name of Filing Person)

Acceptance

The undersigned accepts the appointment as agent for service of process of _____ (**Insert name of Filing Person**) pursuant to the terms and conditions of the foregoing Submission to Jurisdiction and Appointment of Agent for Service of Process and acknowledges agrees to deliver to the Ontario Securities Commission (the "Commission") a copy of each document served on the undersigned as agent for service of process of the Filing Person, within five days of the date the document was served on the undersigned, and to advise the Commission immediately if the undersigned is unable to deliver to the Filing Person a copy of a document served on the undersigned as Agent.

Dated: _____

(Signature of Agent or authorized signatory)

(Name and title of authorized signatory)

REGULATION TO AMEND

REGULATION 1015 OF THE REVISED REGULATIONS

OF ONTARIO, 1990

MADE UNDER THE SECURITIES ACT

1. Regulation 1015 of the Revised Regulations of Ontario, 1990 (the "Regulation") is amended as follows:
 - (1) Section 99 of the Regulation is amended by adding the following paragraph:
 - "5. International advisers (investment counsel and portfolio managers), being persons of companies that are investment counsel or portfolio managers or both and that have registered under the Act in reliance upon Rule 35-502 Non-Resident Advisers."
 - (2) Section 101 of the Regulation is amended by adding the following subsection:
 - "(3) The provisions of this Part, other than section 99, do not apply to an international adviser (investment counsel and portfolio manager) except as provided in Rule 35-502 Non-Resident Advisers."
2. This Regulation comes into force on the same day as the rule made by the Ontario Securities Commission entitled "Rule 35-502 Non-Resident Advisers".

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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 SecuritiesSource (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

<u>Trans. Date</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
08Jun00	99Com1 - CDN Equity Fund and 99Com2 - Bond Fund - Units	22,263,947	2,227,713
01Jun00	ABC American-Value Fund - Units	150,000	33,409
01Jun00	ABC Fully-Managed Fund - Units	150,000	22,188
01Jun00	ABC Fundamental-Value Fund - Units	150,000	13,611
02Jun00	Advantexcel.com Communications Corp. - Units	371,416	694,444
24Apr00	Aero Capital Limited Partnership - Units	360,000	374
& 01May00			
11May00	AES Corporation, The - Common Stock	US\$481,000	6,500
04May00	Albertson's Inc. - 8.35% Senior Notes due 2010	US\$37,954,200	38,000,000
25May00	Atlas Air, Inc. - Common Shares	US\$63,500	2,000
07Jun00	AutoBranch Technologies Inc. - Common Shares	150,500	215,000
23May00	Bank of America Corporation - 7.80% Subordinated Notes due 2010	US\$4,820,450	5,000,000
23May00	BCM Arbitrage Fund - Limited Partnership Units	377,485	1,355
12May00	BPI American Opportunities Fund - Units	1,646,281	10,982
31Dec99	Canadian 88 Energy Corp. - Common Shares, Amended	3,000,000	1,363,636
01Jun00	CC&L Money Market Fund -	300,000	30,000
12Jun00	Communication Systems International Inc. - Special Warrants	1,300,000	520,000
May00	Connor Clark Private Trust -	13,515,826	13,515,826
May00	Connor Clark Private Trust -	US\$1,757,196	1,757,196
12Apr00	Darnley Bay Resources Limited - Special Warrants	141,500	66,750
31May00	Datawire Communications Networks Inc. - Class B Common Shares	1,050,000	144,950
25May00	Demospher International, Inc. - Common Stock	US\$1,000,000	500,000
31May00	Diadem Resources Ltd. - Units	200,000	1,000,000
17May00	Durand Retirement Residence Limited Partnership - Units	1,250,000	25
07Mar00	Eiger Technology Inc. - Special Warrants	13,603,000	2,720,000
31May00	Engineering.com Incorporated	9,802,000	4,901,000
31May00	Equity International Investment Trust - Units	1,808	82
25May00	Estee Lauder Companies Inc., The - Class A Common Shares	US\$639,450	14,700

Notice of Exempt Financings

<u>Trans. Date</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
03May00	Excalibur Harvest Canadian Fund - Units	750,000	62,974
26May00	Ezenet Corp. -	750,000	50,000
31May00	Fleming Canada Offshore Select Trust - Units	259	577
08Jun00	Funtime Hospitality Corp. - Common Shares	161,192	161,192
30May00	GIS Global Imaging Systems Inc. - Special Warrants	2,250,000	2,250,000
10Apr00	Global Crossing Ltd. - 6¾% Cumulative Convertible Preferred Stock	US\$250,000	1,000
29May00	Goldeye Explorations Limited - Units	150,000	555,556
29Mar00	IS2 Research Inc. - Class B Common Shares Subordinated Debentures	600,000	341,928
05May00	K2 Energy Corp. Units	685,000	1,370,000
31May00	Marquest Balanced Fund - Units	1,588,888	117,872
31May00	Marquest Canadian Equity Growth Fund - Units	507,066	18,588
31May00	Marquest Technology Fund - Units	1,050,000	16,587
31May00	Marquest US Equity Growth Fund - Units	150,000	6,450
01Jun00	McElvaine Investment Trust, The - Trust Units	169,924	14,686
20May00	Mytec Technologies Inc. - Common Shares	585,507	412,957
05Jun00	Navigator Canada Dominion Resource Fund Ltd. - Series A Preferred Shares	15,241,000	609,640
05Jun00	Navigator Canada Dominion Resource Fund Ltd. - Series A Preferred Shares	35,807,000	1,432,280
28Apr00	NavLynx Technologies Inc. - Special Shares and Share Purchase Warrants	3,880,500, 19,500	478,500, 58,500 Resp.
31May00	OCM Emerging Markets (Cayman) Fund II, Ltd. - Shares	748,845	748,845
19May00	Partus Technologies plc - Ordinary Shares	US\$28,980	2,300
12May00	PRI Automation, Inc. - Common Stock	US\$96,000	1,500
30May00 to 31May00	Putnam Canadian Global Trusts - Trust Units	161	15
19May00 to 25May00	Putnam Canadian Global Trusts - Trust Units	307	30
15May00	Royal Ahold N.V. - 4% Convertible Subordinated Notes due 2005	US\$213,840	9,000
01May00	Sonic Innovations, Inc. - Common Stock	US\$259,000	18,500
24May00	Sonus Networks, Inc. - Common Stock	US\$234,600	10,200
02Jun00	Stacey Investment Limited Partnership - Limited Partnership Units	80,004	4,141
31Mar00	TD Capital Canadian Private Equity Partners (QLP) L.P. - Limited Partnership Interests	208,400,000	208,400,000
06Jun00	Thinksmith Corp. - Units	395,175	718,500
15Jun00	Thomson Corporation, The - Common Shares	54,827,822	1,084,735
05Jun00 to 19Jun00	Trimark Mutual Funds - Units (See Filing Document for Individual Fund Name)	4,972,697	500,437
29May00 to 02Jun00	Trimark Mutual Funds - Units (See Filing Document for Individual Fund Name)	7,031,572	773,554
27Apr00 to 30May00	Vanguard Total Stock Market Index Fund and Vanguard Institutional Index Fund - Units	1,567,000	9,498
05Jun00	Wavesat Telecom Inc. - Common Shares, Class B and C Preferred Shares	399,275, 402,928, 2,750,724	1,032,826 1,411,727, 5,791,000 Resp.
30May00	# Windy O'Neill's Irish Pubs Inc. - Limited Partnership Unit	900,000	1

Notice of Exempt Financings

<u>Trans. Date</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
31May00	YMG Institutional Fixed Income Fund - Units	582,399	60,316

Resale of Securities - (Form 45-501f2)

<u>Date of Resale</u>	<u>Date of Orig. Purchase</u>	<u>Seller</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
05Jun00		Canada Dominion Resources Limited Partnership II	Canada Dominion Resources Limited Partnership II - Units	13,645,402	3,294,863

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)

<u>Name of Company</u>	<u>Date the Company Ceased to be a Private Company</u>
Canadian Spooner Industries Corporation	08Mar00
Fastwire.com Inc.	18May00
Maxim Energy Group Ltd.	31May00

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

<u>Seller</u>	<u>Security</u>	<u>Amount</u>
Black, Conrad M.	Hollinger Inc. - Series II Preference Shares	1,611,039
1257755 Ontario Inc.	Husky Injection Molding Systems Ltd. - Common Shares	150,000
1257754 Ontario Inc.	Husky Injection Molding Systems Ltd. - Common Shares	130,000
Schad, Lili	Husky Injection Molding Systems Ltd. - Common Shares	220,000
Schad Foundation, The	Husky Injection Molding Systems Ltd. - Common Shares	1,800,000
Xenolith Gold Limited	Kookaburra Resources Ltd. - Common Shares	2,000,000
Xenolith Gold Limited	Kookaburra Resources Ltd. - Common Shares	1,360,124
Baran, Steve	Meridian Resources Inc. - Shares	4,500,000
126987 Canada Ltd.	Speedware Corporation Inc. - Common Shares	1,499,900
Hawkins, Stanley G.	Tandem Resources Ltd. - Common Shares	2,000,000
Citibank Canada	TDZ Holdings - Common Shares	1,021,640
Coutts Family Trust, The	Teklogix International Inc. - Common Shares	185,800
1134675 Ontario Limited	Thomson Corporation, The - Common Shares	42,130
1406882 Ontario Limited	Thomson Corporation, The - Common Shares	56,812

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Chapter 9

Legislation

9.1 Legislation

9.1.1 Regulation to Amend Regulation 1015 of the Revised Regulations of Ontario, 1990 Made under the Securities Act

REGULATION TO AMEND REGULATION 1015 OF THE REVISED REGULATIONS OF ONTARIO, 1990 MADE UNDER THE SECURITIES ACT

Note: Since the end of 1998, Regulation 1015 has been amended by Ontario Regulations 1/99, 322/99, 3/00, 108/00, 133/00 and 222/00. Previous amendments are listed in the Table of Regulations in the Statutes of Ontario, 1998.

1. Section 1.1 of Schedule 1 to Regulation 1015 of the Revised Regulations of Ontario, 1990 is revoked and the following substituted:

1.1 (1) This section applies with respect to fees that become payable under this Schedule or under a rule on or after June 26, 2000.

(2) The amount of the fee that is otherwise payable under this Schedule or under a rule is reduced by 20 per cent.

2. This Regulation comes into force on June 26, 2000.

REGULATION TO AMEND REGULATION 90 OF THE REVISED REGULATIONS OF ONTARIO, 1990 MADE UNDER THE COMMODITY FUTURES ACT

Note: Since the end of 1998, Regulation 90 has been amended by Ontario Regulation 109/00. Previous amendments are listed in the Table of Regulations in the Statutes of Ontario, 1998.

1. Schedule 1 to Regulation 90 of the Revised Regulations of Ontario, 1990 is amended by adding the following section:

1.1 (1) This section applies with respect to fees that become payable under this Schedule or under a rule on or after June 26, 2000.

(2) The amount of the fee that is otherwise payable under this Schedule or under a rule is reduced by 20 per cent.

(3) For the purposes of subsection (2), the amount of the fee that is otherwise payable is to be determined without reference to Directive No. 1 (*Reduction of All Fees*) issued under the Act by the Commission on May 4, 1999.

2. This Regulation comes into force on June 26, 2000.

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Altamira Global 20 Fund
Altamira Global Value Fund
Altamira Global Telecommunications Fund
Altamira Biotechnology Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated June 15th, 2000
Mutual Reliance Review System Receipt dated June 16th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Altamira Financial Services Ltd.

Promoter(s):

N/A.

Project #276854

Issuer Name:

Anderson Exploration Ltd.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Shelf Prospectus dated June 20th, 2000
Mutual Reliance Review System Receipt dated June 20th, 2000

Offering Price and Description:

\$500,000,000 Medium Term Notes (unsecured)

Underwriter(s), Agent(s) or Distributor(s):

Montreal Trust Company of Canada

Promoter(s):

N/A

Project #277947

Issuer Name:

Bridges.com Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated June 14th, 2000
Mutual Reliance Review System Receipt dated June 16th, 2000

Offering Price and Description:

\$18,037,500 - 3,250,000 Common Shares and 1,625,000
Common Shares Purchase Warrants issuable upon the
exercise of 3,250,000 Special Warrants

Underwriter(s), Agent(s) or Distributor(s):

Yorkton Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Goepel McDermid Inc.

Promoter(s):

N/A

Project #277012

Issuer Name:

Carbiz.com Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated June 13th, 2000
Mutual Reliance Review System Receipt dated June 14th, 2000

Offering Price and Description:

\$13,500,000 - 6,750,000 Common Shares and 3,375,000
Common Share Purchase Warrants Issuable Upon the
Exercise of 6,750,000 Special Warrants

Underwriter(s), Agent(s) or Distributor(s):

Canaccord Capital Corporation
Goepel McDermid Inc.

Promoter(s):

Carl Ritter
John Gallucci
Ross Quigley
Project #276559

Issuer Name:

Chartwell Technology Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated June 13th, 2000
Mutual Reliance Review System Receipt dated June 13th, 2000

Offering Price and Description:

\$10,075,000 - 3,100,000 Common Shares and 1,550,000
Common Shares Purchase Warrants issuable upon the
exercise of Special Warrants

Underwriter(s), Agent(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Darold H. Parken
Project #276264

Issuer Name:

CHIP Four Term Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated June 19th, 2000
Mutual Reliance Review System Receipt dated June 20th, 2000

Offering Price and Description:**Underwriter(s), Agent(s) or Distributor(s):**

Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.

Promoter(s):

Canadian Home Income Plan Corporation
Project #277559

Issuer Name:

Gulf & Pacific Equities Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated June 14th, 2000
Mutual Reliance Review System Receipt dated June 16th, 2000

Offering Price and Description:

\$1,000,000 to \$4,000,000 - 1,000 to 4,000 Units

Underwriter(s), Agent(s) or Distributor(s):

Rogers & Partners Securities Inc.

Promoter(s):

Anthony J. Cohen
Project #276935

Issuer Name:

Intrinsyc Software, Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated June 15th, 2000
Mutual Reliance Review System Receipt dated June 16th, 2000

Offering Price and Description:

\$6,000,000 - 3,000,000 Units issuable upon the exercise of
Specail Warrants

Underwriter(s), Agent(s) or Distributor(s):

Loewen,Ondaatje,McCutcheon Limited

Promoter(s):

Derek W. Spratt
Project #276975

Issuer Name:

Leitch Technology Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 21st, 2000
Mutual Reliance Review System Receipt date June 21st, 2000

Offering Price and Description:

\$52,800,000 - 2,000,000 Common Shares

Underwriter(s), Agent(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Yorkton Securities Inc.
National Bank Financial Inc.

Promoter(s):

N/A
Project #278024

Issuer Name:

Normiska Corporation

Type and Date:

Preliminary Prospectus dated June 15th, 2000
Received June 16th, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

Goepel McDermid Inc.

Promoter(s):

David Graham
John M Arnold
Project #277111

Issuer Name:

Newsys Solutions Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated June 20th, 2000
Mutual Reliance Review System Receipt dated June 21st, 2000

Offering Price and Description:

3,000,000 Common Shares, 1,500,000 Warrants and 300,000
Brokers' Warrants

Underwriter(s), Agent(s) or Distributor(s):

Yorkton Securities Inc.

Promoter(s):

Mark Quigg
Frank Post
Project #277901

Issuer Name:

Pangea Goldfields Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 15th, 2000
Mutual Reliance Review System Receipt dated June 16th, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

Loewen Ondaatje McCutcheon Limited
Sprott Securities Limited

Promoter(s):

N/A
Project #277125

Issuer Name:

SMTC Manufacturing Corporation of Canada
Principal Regulator - Ontario

Type and Date:

Second Amended Preliminary Prospectus dated June 19, 2000
Received June 19th, 2000

Offering Price and Description:

\$ * - * Exchangeable Shares, Exchangeable for Share of
Common Stock

Underwriter(s), Agent(s) or Distributor(s):

RBC Dominion Securities Inc.
Lehman Brothers Canada Inc.
Merrill Lynch Canada Inc.

Promoter(s):

N/A
Project #250729

Issuer Name:

SLMsoft.com Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated June 19th, 2000
Mutual Reliance Review System Receipt dated June 20th, 2000

Offering Price and Description:

\$25,650,000 - 3,300,000 Limited Voting Shares and 1,900,000 Limited Voting Shares Purchase Warrants issuable upon the exercise or deemed exercise of 3,800,000 Special Warrants

Underwriter(s), Agent(s) or Distributor(s):

National Bank Financial Inc.
Yorkton Securities Inc.
Rampart Securities Inc.

Promoter(s):

N/A
Project #277872

Issuer Name:

Sentry Select Internet Technology Fund 2001
Sentry Select Biotechnology Fund 2001
Sentry Select Wireless Communications Fund 2001
Sentry Select Wealth Management Fund 2001
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated June 15th, 2000
Mutual Reliance Review System Receipt dated June 15th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Values

Underwriter(s), Agent(s) or Distributor(s):

David M. Schwartz

Promoter(s):

John Vooglaid
Project #276746

Issuer Name:

Wavve Telecommunications, Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 16th, 2000
Mutual Reliance Review System Receipt dated June 19th, 2000

Offering Price and Description:

\$50,000,005 - 4,545,455 Common Shares issuable upon the exercise of previously issued Special Warrants

Underwriter(s), Agent(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.

Promoter(s):

N/A
Project #277194

Issuer Name:

Winspear Diamonds Inc. (NP #44 - PREP)
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated June 20th, 2000
Mutual Reliance Review System Receipt dated June 20th, 2000

Offering Price and Description:

\$* - * Common Shares * Common Share Purchase Warrants

Underwriter(s), Agent(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Canaccord Capital Corporation

Promoter(s):

N/A
Project #277801

Issuer Name:

AIC Advantage Fund
AIC World Advantage Fund
AIC RSP World Advantage Fund
AIC Value Fund
AIC RSP Value Fund
AIC World Equity Fund
AIC RSP World Equity Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated June 9th, 2000 to Simplified Prospectus and Annual Information Form dated June 30th, 1999
Mutual Reliance Review System Receipt dated 19th day of June, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Registered Dealers

Promoter(s):

AIC Limited
Project #178238

Issuer Name:

Associate Investors Limited
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated June 9, 2000 to Prospectus dated October 29, 1999
Mutual Reliance Review System Receipt dated 15th day of June, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Working Ventures Investment Services Inc.

Promoter(s):

N/A
Project #209722

Issuer Name:

E&P Cabot Money Market Fund (Formerly Manulife Cabot Money Market Fund)

E&P Cabot Diversified Bond Fund (Formerly Manulife Cabot Diversified Bond Fund)

E&P Cabot Canadian Equity Fund (Formerly Manulife Cabot Canadian Equity Fund)

E&P Cabot Blue Chip Fund (Formerly Manulife Cabot Blue Chip Fund)

E&P Cabot Canadian Growth Fund (Formerly Manulife Cabot Canadian Growth Fund)

E&P Cabot Emerging Growth Fund (Formerly Manulife Cabot Emerging Growth Fund)

E&P Cabot Global MultiStyle Fund (Formerly Manulife Cabot Global Equity Fund)

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated June 7, 2000 to Simplified Prospectus and Annual Information Form dated December 22, 1999

Mutual Reliance Review System Receipt dated 20th day of June, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Elliott & Page Limited

Promoter(s):

N/A

Project #213841

Issuer Name:

Fidelity Disciplined Equity Fund

Principal Jurisdiction - Ontario

Type and Date:

Amendment #2 dated June 6th, 2000 to Simplified Prospectus and Annual Information Form dated September 27th, 1999

Mutual Reliance Review System Receipt dated 15th day of June, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Fidelity Investments Canada Limited

Promoter(s):

Fidelity Investments Canada Limited

Project #206257

Issuer Name:

Talvest Global Equity Fund

Principal Regulator - Quebec

Type and Date:

Amendment #1 dated May 9th, 2000 to Simplified Prospectus and Annual Information Form dated October 29th, 1999

Mutual Reliance Review System Receipt dated 18th day of May, 2000

Offering Price and Description:

Mutual Funds Units - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Talvest Fund Management Inc.

Promoter(s):

Talvest Fund Management Inc.

Project #207404

Issuer Name:

Basis100 Inc.

Principal Regulator - Ontario

Type and Date:

Final Prospectus dated May 30th, 2000

Mutual Reliance Review System Receipt dated 31st day of May, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

RBC Dominion Securities Inc.

Griffiths McBurney & Partners

Dundee Securities Corporation

Promoter(s):

N/A

Project #256629

Issuer Name:

CARS4U.com Ltd.

Type and Date:

Final Prospectus dated June 12th, 2000

Received 14th day of June, 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:

Collicutt Hanover Services Ltd.

Principal Regulator - Alberta

Type and Date:

Final Prospectus dated June 14th, 2000

Mutual Reliance Review System Receipt dated 14th day of June, 2000

Offering Price and Description:

\$ * (Maximum); \$* (Minimum) - \$* per Common Shares

Underwriter(s), Agent(s) or Distributor(s):

Firstenergy Capital Corp.

Goepel McDermid Inc.

RBC Dominion Securities Inc.

Promoter(s):

Project #235516

Issuer Name:

Consolidated Canadian Express Limited
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated June 5th, 2000
Mutual Reliance Review System Receipt dated 6th day of June, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #256642

Issuer Name:

Future Beach Corporation
Principal Regulator - Quebec

Type and Date:

Final Prospectus dated March 17th, 2000
Mutual Reliance Review System Receipt dated 21st day of March, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

Groome Capital.com Inc.

Promoter(s):

Mark Diamond
David Lekhtman

Project #230753

Issuer Name:

Dayton Mining Corporation
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated June 14th, 2000
Mutual Reliance Review System Receipt dated 16th day of June, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

Newcrest Capital Inc.
Dundee Securities Corporation

Promoter(s):

David K. Fagin
Cathreine McLeod-Seltzer

Project #257360

Issuer Name:

Deutsche Telekom AG
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated June 15th, 2000
Mutual Reliance Review System Receipt dated 19th day of June, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #30613

Issuer Name:

Haemacure Corporation
Principal Regulator - Quebec

Type and Date:

Final Prospectus dated June 8th, 2000
Mutual Reliance Review System Receipt dated 12th day of June, 2000

Offering Price and Description:

\$17,000,000 - Up to 7,906,977 Units, each consisting of one Common Share and one-half of a Common Share Purchase Warrant

Underwriter(s), Agent(s) or Distributor(s):

Dlouhy Investments Inc.
Loewen, Ondaatje, McCutcheon Limited
Groome Capital Inc.

Promoter(s):

N/A

Project #259918

Issuer Name:

Luxell Technologies Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated June 13th, 2000
Mutual Reliance Review System Receipt dated 14th day of June, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

N/A

Project #265418

Issuer Name:

Neurochem Inc.
Principal Regulator - Quebec

Type and Date:

Final Prospectus dated June 13th, 2000
Mutual Reliance Review System Receipt dated 14th day of June, 2000

Offering Price and Description:

\$32,000,000.00 - 3,878,787 Common Shares

Underwriter(s), Agent(s) or Distributor(s):

Loewen, Ondaatje, McCutcheon Limited
Canaccord Capital Corporation

Promoter(s):

N/A
Project #263379

Issuer Name:

Pelorus Navigation Systems Inc.
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated June 15th, 2000
Mutual Reliance Review System Receipt dated 16th day of June, 2000

Offering Price and Description:

\$3,300,710.00 - 2,357,650 Common Shares and 1,178,825 Warrants Issuable upon the Exercise of 2,357,650 Special Warrants

Underwriter(s), Agent(s) or Distributor(s):

Acumen Capital Finance Partners Limited

Promoter(s):

N/A
Project #264061

Issuer Name:

SiGEM Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated June 1st, 2000
Mutual Reliance Review System Receipt dated 7th day of June, 2000

Offering Price and Description:

Underwriter(s), Agent(s) or Distributor(s):

Yorkton Securities Inc.
Canaccord Capital Corporation

Promoter(s):

N/A
Project #260674

Issuer Name:

stox.com Inc.
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated June 8th, 2000
Mutual Reliance Review System Receipt dated 9th day of June, 2000

Offering Price and Description:

\$14,000,000.00 - 4,000,000 Common Shares and 2,000,000 Share Purchase Warrants Issuable Upon the Exercise of 4,000,000 Special Warrants

Underwriter(s), Agent(s) or Distributor(s):

Dundee Securities Corporation
Paradigm Capital Inc.
Salman Partners Inc.

Promoter(s):

Scott Blue
Project #244045

Issuer Name:

Alberta Energy Company Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated June 19th, 2000
Mutual Reliance Review System Receipt dated 19th day of June, 2000

Offering Price and Description:

\$230,000,000.00 - 8.38% Capital Securities due June 27, 2040

Underwriter(s), Agent(s) or Distributor(s):

CIBC World Markets Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.

Promoter(s):

N/A
Project #275488

Issuer Name:

EPCOR Utilities Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated June 14th, 2000
Mutual Reliance Review System Receipt dated 16th day of June, 2000

Offering Price and Description:

\$600,000,000.00 - Medium Term Note Debenture (unsecured)

Underwriter(s), Agent(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.

Promoter(s):

N/A
Project #274910

Issuer Name:

Grenadier World Fund (Formerly First Heritage Fund)

Type and Date:

Final Simplified Prospectus and Annual Information Form dated June 9th, 2000

Received 15th day of June, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

Registered Dealers

Promoter(s):

N/A

Project #261369

Issuer Name:

Lehman Brothers 10 Uncommon Values@Trust, 2000 Portfolio Series A Units

Principal Jurisdiction - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated June 2nd, 2000

Mutual Reliance Review System Receipt dated 2nd day of June, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #251621

Issuer Name:

Synergy Global Growth Class of

Synergy Global Fund Inc.

Synergy Global Growth RSP Fund

Type and Date:

Final Simplified Prospectus and Annual Information Form dated May 24th, 2000

Mutual Reliance Review System Receipt dated 24th day of May, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

N/A

Promoter(s):

N/A

Project #257160

Issuer Name:

National Bank Secure Diversified Fund (formerly InvesNat Secure Diversified Fund)

National Bank Conservative Diversified Fund (formerly InvesNat Conservative Diversified Fund)

National Bank Moderate Diversified Fund (formerly InvesNat Moderate Diversified Fund)

National Bank Aggressive Diversified Fund (formerly InvesNat Aggressive Diversified Fund)

National Bank Intrepid Diversified Fund (formerly InvesNat Intrepid Diversified Fund)

National Bank Money Market Fund (formerly InvesNat Money Market Fund)

National Bank Treasury Bill Plus Fund (formerly InvesNat Treasury Bill Plus Fund)

National Bank Corporate Cash Management Fund (formerly InvesNat Corporate Cash Management Fund)

National Bank Treasury Management Fund (formerly InvesNat Treasury Management Fund)

National Bank Presumed Sound Investment Fund (formerly InvesNat Presumed Sound Investment Fund)

National Bank U.S. Money Market Fund (formerly InvesNat U.S. Money Market Fund)

National Bank Mortgage Fund (formerly InvesNat Mortgage Fund)

National Bank Short-Term Government Bond Fund (formerly InvesNat Short-Term Government Bond Fund)

National Bank Bond Fund (formerly InvesNat - Bond Fund)

National Bank Dividend Fund (formerly InvesNat Dividend Fund)

National Bank Retirement Balanced Fund (formerly InvesNat Retirement Balanced Fund)

National Bank Canadian Equity Fund (formerly InvesNat Canadian Equity Fund)

National Bank Small Capitalization Fund (formerly InvesNat Small Capitalization Fund)

National Bank Quebec Growth Fund

National Bank Natural Resources Fund

National Bank Canadian Index Plus Fund (formerly InvesNat Canadian Index Plus Fund)

National Bank American Index Plus Fund (formerly InvesNat American Index Plus Fund)

National Bank Canadian Index Fund (formerly InvesNat Canadian Index Fund)

National Bank American RSP Index Fund (formerly InvesNat American RSP Index Fund)

National Bank International RSP Bond Fund (formerly InvesNat International RSP Bond Fund)

National Bank European Equity Fund (formerly InvesNat European Equity Fund)

National Bank Japanese Equity Fund (formerly InvesNat Japanese Equity Fund)

National Bank Far East Equity Fund (formerly InvesNat Far East Equity Fund)

National Bank International RSP Index Fund (formerly InvesNat International RSP Index Fund)

National Bank Future Economies Fund

National Bank Global Technology Fund

Principal Jurisdiction - Quebec

Type and Date:

Final Simplified Prospectus and Annual Information Form dated June 7th, 2000

Received 8th day of June, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s), Agent(s) or Distributor(s):

National Bank Securities Inc.

Promoter(s):

National Bank Securities Inc.

Project #183340

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Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
New Recognition	The Fulcrum Investment Company Limited 165 University Avenue Toronto, Ontario M5H 3B8	Exempt Purchaser	June 16/00
New Registration	Broadway Trading, LLC Attention: Rene Sorell c/o Cartan Limited Suite 4700, Toronto-Dominion Bank Tower Toronto-Dominion Centre Toronto, Ontario M5K 1E6	International Dealer	June 19/00
New Registration	Leerink, Swann, Garrity, Sollami, Yaffe & Wynn, Inc. c/o Kenneth Wiener Goodman, Philips, Vineberg Barristers & Solicitors 250 Yonge Street Toronto, Ontario M5B 2M6	International Dealer	June 19/00
Change of Name	Kearns Capital Corporation Attention: Helen Margaret Kearns 71 Hudson Drive Toronto, Ontario M4T 2K2	From: Connectorcapital.com Inc. To: Kearns Capital Corporation	June 15/00
Change of Name	Tullett & Tokyo Liberty Ltd. Attention: William Henry Charle Ann 154 University Avenue Suite 400 Toronto, Ontario M5H 3Y9	From: Tullett & Tokyo Ltd. To: Tullett & Tokyo Liberty Ltd.	March 3/00
New Registration	Fisher Investments, Inc. Attention: Kenneth L. Fisher 13100 Skyline Blvd. Woodwide, CA USA 94062	Non-Canadian Advisor Investment Counsel & Portfolio Manager	June 16/00
New Registration	Rockefeller & Co., Inc. Attention: Kathleen Ward c/o 152928 Canada Inc Commerce Court West, 53 rd Fl. Box 85 Toronto, Ontario M5L 1B9	International Adviser Investment Counsel & Portfolio Manager	June 16/00

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Chapter 13

SRO Notices and Disciplinary Proceedings

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IN THIS ISSUE

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Chapter 25

Other Information

25.1.1 Securities

TRANSFER WITHIN ESCROW

<u>COMPANY NAME</u>	<u>DATE</u>	<u>FROM</u>	<u>TO</u>	<u>NO. AND TYPE OF SHARES</u>
NTS Computer Systems Ltd.	June 16, 2000	James Tocher	Brigill Investments Ltd.	1,572,263 Common Shares

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Index

AIC Advantage Fund		Banfield Capital Management Inc.	
Amendment	4471	MRRS Decision	4351
AIC American Advantage Fund		Barney's Food Enterprises Inc.	
Order - ss. 59(1), Schedule 1, Regulation	4366	Extending Cease Trading Orders	4379
Aic American Focused Fund		Basis100 Inc.	
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