

The Ontario Securities Commission

OSC Bulletin

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

The Ontario Securities Commission

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Fax: 8th Floor - 416-593-8122 (Office of the Secretary / Corporate Relations)

Fax: 8th Floor - 416-593-8252 (Corporate Finance: Admin. & Document Management)

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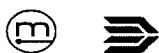


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Oct 12/2000 Wayne S. Umetsu
10:00 a.m.
s. 60, CFA
Ms. K. Wootton in attendance for staff.

Panel: TBA

May 7/2001 YBM Magnex International Inc., Harry W.
10:00 a.m. 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: HIW / 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

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 Delloso, 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

PROVINCIAL DIVISION PROCEEDINGS

Date to be announced	Michael Cowpland and M.C.J.C. Holdings Inc. s. 122 Ms. M. Sopinka in attendance for staff. Ottawa	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
Sept 18/2000 10:00 a.m.	Glen Harvey Harper s.122(1)(c) Mr. J. Naster in attendance for staff. Courtroom M, Provincial Offences Court Old City Hall, Toronto	Jan 29/2001 - Feb 2/2001 9:00 a.m.	Einar Bellfield s. 122 Ms. K. Manarin in attendance for staff. Courtroom C, Provincial Offences Court Old City Hall, Toronto
Sep 20/2000 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. 111, Provincial Offences Court Old City Hall, Toronto	Reference:	John Stevenson Secretary to the Ontario Securities Commission (416) 593-8145
Oct 10/2000 - Nov 3/2000 Trial	Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall s. 122 Ms. J. Superina in attendance for staff. Court Room No. 9 114 Worsley Street Barrie, Ontario		
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		

1.1.2 Dialogue with the OSC

July 4, 2000

Dialogue with the OSC

Dear Colleague:

Each year the Ontario Securities Commission sponsors an all-day conference designed to bring the staff of the Commission together with professionals from the financial services industry.

I would like to take this opportunity to invite you to participate in this year's *Dialogue with the OSC* event, now in its sixth successful year, which will take place at the Toronto Sheraton Centre Hotel on October 31st, 2000.

This year, the agenda for Dialogue again focuses on the significant regulatory issues and events that have emerged over the past year, including the Ontario Government's plan to merge the OSC with the Financial Services Commission of Ontario. Topics will also include **A Market Regulation Update, Financial Planning, Mutual Funds and the Launch of the MFDA, Enforcement Issues and Current Financial Reporting and Auditing Issues**, among many other interesting and timely items.

The proposed agenda for *Dialogue with the OSC 2000* is attached.

The cost to attend this conference is \$400.00 and for those registering before September 11th we are offering an early bird special of \$350.00. To reserve your place, return the attached agenda with your business card and concurrent session choices by facsimile to (416) 593-0249. An invoice will follow. If you have any questions please call *Dialogue with the OSC* registration at (416) 593-7352 before October 20, 2000. Or you may register on-line through the OSC website at www.osc.gov.on.ca.

New This Year

The 2000 edition of *Dialogue with the OSC* will introduce a new and very exciting element to the program. In order to bring our staff and this important event to a greater number of our constituents, we are offering a modified version of Dialogue through a satellite feed to the following locations:

- London
- Sudbury
- Ottawa

During the satellite broadcast, participants at each of the above locations will be able to watch and listen to the presentations as well as ask questions of the panelists in Toronto.

If you are interested in attending Dialogue at one of these locations call (416) 593-7352.

I hope you are able to join us either in Toronto, or at one of the other locations across Ontario, for this exciting and informative conference.

Sincerely,

David Brown Q.C.
Chair

Encl.

DIALOGUE WITH THE OSC

Preliminary Agenda & Early Registration

9:00 a.m. Welcoming Address

Charlie F. Macfarlane, Executive Director, OSC

9:10 a.m. Opening Remarks

David A. Brown, Q.C., Chair of the OSC

9:30 a.m. Executive Panel

David Brown, Ontario Securities Commission; Dina Palozzi, Ontario Insurance Commission; Securities Market Participant and FSCO Participant

10:00 a.m. Panel of Chairs

Chairs of the Ontario, Alberta, British Columbia and Quebec Securities Commissions

11:00 a.m. Break-Out Session 1

(Please check one (1) box only on registration form to indicate concurrent session choice)

- **Market Regulation Update: Including ATS and the New Markets**
A discussion of the changes in the Canadian marketplace including the OSC and the reorganization of the Canadian exchanges and regulatory approaches to advances in electronic trading technology.
- **Enforcement Issues**
Current trends in enforcement reflecting the new approaches to enforcing Ontario Securities law.
- **Corporate Finance: An Update**
Included in this update are a review of developments in recent filings issues and a report on small business financing.

11:50 a.m. Break-Out Session 2

(Please check one (1) box only on registration form to indicate concurrent session choice)

- **Mutual Funds: The Launch of the MFDA**
An update on the launch of the Mutual Funds Dealers Association and the issues surrounding the question of distribution structures for the mutual fund dealer.
- **Strengthening the Secondary Market: Enhancing the Quality of Continuous Disclosure by Reporting Issuers**
A discussion of legislative, regulatory and operational changes including the developments in Continuous and Integrated Disclosure. Also reviewed SEDI, the System for Electronic Data on Insiders.
- **International Issues: The OSC and the International Securities Regulators**
A look at the critical issues facing regulators as electronic trading makes borders irrelevant in the age of e-trades and electronic communication. Also included will be a review of the work of the International Accounting Standards Committee.

12:30 p.m. Lunch

1:30 p.m. Luncheon Address

Dr. Sherry Cooper, Chief Economist, Nesbitt Burns

Tuesday, October 31, 2000 • Sheraton Centre Hotel • Toronto

Dialogue with the OSC • Tuesday, October 31, 2000 • Sheraton Centre Hotel, Toronto

2:00 p.m. Break-Out Session 3

(Please check one (1) box only on registration form to indicate concurrent session choice)

- **Financial Planning Update and The Re-regulation of Advice Project**
A review of the products and services delivered to customers in view of the retail securities industry's shift in focus from stock trading to financial advice and asset management. Two regulatory initiatives that respond to this shift.
- **Current Financial Reporting and Auditing Issues at the OSC**
A review of staff positions and current policy directions including a look at GAAP and CAAS.
- **The Latest Developments in Mergers and Acquisitions**
The Takeover/Issuer Bids team from the OSC will highlight the issues and latest developments under discussion at the OSC.

3:30 p.m. Break-Out Session 4

(Please check one (1) box only on registration form to indicate concurrent session choice)

- **Latest Developments in Regulating Mutual Funds**
Highlights of the present focus of the OSC in regulating mutual funds and their management, as well as a discussion of the regulatory issues raised by current trends in the industry. Includes a look at the OSC's work regarding the recently released report on fund governance.
- **SRO Oversight**
A review of the Commission's efforts to strengthen protocols for SRO oversight through the development of oversight agreements and the planned national compliance review.
- **Investor Education**
A look at the products developed by the OSC to enhance investor understanding of the securities industry.

4:45 p.m. Closing Remarks

5:00 p.m. Conference Conclusion

DIALOGUE WITH THE OSC • REGISTRATION FORM

DIALOGUE BREAKOUT SESSIONS

You will be able to attend one breakout session for each time slot (Please check one (1) box for each Breakout Session)

<p>11:00 - 11:40 Break Out Session 1</p> <p><input type="checkbox"/> Market Regulation Update</p> <p><input type="checkbox"/> Enforcement Issues</p> <p><input type="checkbox"/> Corporate Finance: An Update</p>	<p>2:00 - 3:15 Break Out Session 3</p> <p><input type="checkbox"/> Financial Planning Update</p> <p><input type="checkbox"/> Current Financial Reporting/Auditing</p> <p><input type="checkbox"/> Latest Developments in Mergers/Acquisitions</p>
<p>11:50 - 12:30 Break Out Session 2</p> <p><input type="checkbox"/> Mutual Funds: The Launch of the MFDA</p> <p><input type="checkbox"/> Strengthening the Secondary Market</p> <p><input type="checkbox"/> International Issues</p>	<p>3:30 - 4:45 Break Out Session 4</p> <p><input type="checkbox"/> Regulating Mutual Funds</p> <p><input type="checkbox"/> SRO Oversight</p> <p><input type="checkbox"/> Investor Education</p>

Registration Fee: \$400 (after September 11, 2000)

Earlybird Fee: \$350 (before September 11, 2000)

To register, please attach your business card to this form and Fax to: "Dialogue with the OSC" at (416) 593-0249 An invoice for the registration fee will follow in the mail.

For a Detailed Program or Further Information:

Call (416) 593-7352 or visit our website at www.osc.gov.on.ca

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DIALOGUE WITH THE OSC - SUDBURY

Preliminary Agenda & Early Registration

All morning sessions and the Luncheon Address will be broadcast from Toronto to Sudbury by satellite link followed by a live panel entitled, **Mining Regulations - After the Mining Standards Task Force Report**. This panel will look at the effect of the report on the mining industry. During the morning program, participants will be able to watch and listen to the presentations as well as ask questions of the panelists in Toronto.

- 9:00 a.m. Welcoming Address**
Charlie F. Macfarlane, Executive Director, OSC
- 9:10 a.m. Opening Remarks**
David A. Brown, Q.C., Chair of the OSC
- 9:30 a.m. Executive Panel**
David Brown, Ontario Securities Commission; Dina Palozzi, Financial Services Commission of Ontario; Securities Market Participant and FSCO Participant
- 10:00 a.m. Panel of Chairs**
Chairs of the Ontario, Alberta, British Columbia and Quebec Securities Commissions
- 11:00 a.m. Market Regulation Update: Including ATS and the New Markets**
A discussion of the changes in the Canadian marketplace including the OSC and the reorganization of the Canadian exchanges and regulatory approaches to advances in electronic trading technology.
- 11:50 a.m. Mutual Funds: The Launch of the MFDA**
An update on the launch of the Mutual Funds Dealers Association and the issues surrounding the question of distribution structures for the mutual fund dealer.
- 12:30 p.m. Lunch and Luncheon Address**
Dr. Sherry Cooper, Chief Economist, Nesbitt Burns
- 2:00 p.m. Live Panel in Sudbury**
Mining Regulations - After the Mining Standards Task Force Report
Deborah McCombe, Senior Mining Consultant, OSC
This panel will look at what the Mining Standards Task Force Report means to the mining industry.
- 3:00 p.m. Closing Remarks**

DIALOGUE WITH THE OSC • REGISTRATION FORM

Registration Fee: \$300 (after September 11, 2000)

Earlybird Fee: \$250 (before September 11, 2000)

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Fax to: "Dialogue with the OSC" at
(416) 593-0249

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For a Detailed Program or Further Information:

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Tuesday, October 31, 2000 • Sudbury

DIALOGUE WITH THE OSC - LONDON

Preliminary Agenda & Early Registration

All morning sessions and the Luncheon Address will be broadcast from Toronto to London by satellite link followed by a live panel entitled, **Financial Planning - A Review of OSC/CSA Initiatives**. This panel will look at the current regulatory model governing advice. During the morning program, participants will be able to watch and listen to the presentations as well as ask questions of the panelists in Toronto.

- 9:00 a.m. Welcoming Address**
Charlie F. Macfarlane, Executive Director, OSC
- 9:10 a.m. Opening Remarks**
David A. Brown, Q.C., Chair of the OSC
- 9:30 a.m. Executive Panel**
David Brown, Ontario Securities Commission; Dina Palozzi, Financial Services Commission of Ontario; Securities Market Participant and FSCO Participant
- 10:00 a.m. Panel of Chairs**
Chairs of the Ontario, Alberta, British Columbia and Quebec Securities Commissions
- 11:00 a.m. Market Regulation Update: Including ATS and the New Markets**
A discussion of the changes in the Canadian marketplace including the OSC and the reorganization of the Canadian exchanges and regulatory approaches to advances in electronic trading technology.
- 11:50 a.m. Mutual Funds: The Launch of the MFDA**
An update on the launch of the Mutual Funds Dealers Association and the issues surrounding the question of distribution structures for the mutual fund dealer.
- 12:30 p.m. Lunch and Luncheon Address**
Dr. Sherry Cooper, Chief Economist, Nesbitt Burns
- 2:00 p.m. Live Panel in London**
Financial Planning - A Review of OSC/CSA Initiatives
Julia Dublin, Chair, CSA Financial Planning Committee
A look at the current regulatory model governing advice.
- 3:00 p.m. Closing Remarks**

DIALOGUE WITH THE OSC • REGISTRATION FORM

Registration Fee: \$300 (after September 11, 2000)

Earlybird Fee: \$250 (before September 11, 2000)

To register, please attach your business card to this form and
Fax to: "Dialogue with the OSC" at
(416) 593-0249

An invoice for the registration fee will follow in the mail.

For a Detailed Program or Further Information:

Call (416) 593-7352 or visit our website at www.osc.gov.on.ca

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Business Card Here

Tuesday, October 31, 2000 • London

DIALOGUE WITH THE OSC - OTTAWA

Preliminary Agenda & Early Registration

All morning sessions and the Luncheon Address will be broadcast from Toronto to Ottawa by satellite link followed by a live panel entitled, **Small Business Financing - A Progress Report**. This panel will give a progress report on the regulatory issues surrounding small business financing. During the morning program, participants will be able to watch and listen to the presentations as well as ask questions of the panelists in Toronto.

- 9:00 a.m. Welcoming Address**
Charlie F. Macfarlane, Executive Director, OSC
- 9:10 a.m. Opening Remarks**
David A. Brown, Q.C., Chair of the OSC
- 9:30 a.m. Executive Panel**
David Brown, Ontario Securities Commission; Dina Palozzi, Financial Services Commission of Ontario; Securities Market Participant and FSCO Participant
- 10:00 a.m. Panel of Chairs**
Chairs of the Ontario, Alberta, British Columbia and Quebec Securities Commissions
- 11:00 a.m. Market Regulation Update: Including ATS and the New Markets**
A discussion of the changes in the Canadian marketplace including the OSC and the reorganization of the Canadian exchanges and regulatory approaches to advances in electronic trading technology.
- 11:50 a.m. Mutual Funds: The Launch of the MFDA**
An update on the launch of the Mutual Funds Dealers Association and the issues surrounding the question of distribution structures for the mutual fund dealer.
- 12:30 p.m. Lunch and Luncheon Address**
Dr. Sherry Cooper, Chief Economist, Nesbitt Burns
- 2:00 p.m. Live Panel in Ottawa**
Small Business Financing - A Progress Report
This panel will provide a progress report on the regulatory issues surrounding small business financing.
- 3:00 p.m. Closing Remarks**

DIALOGUE WITH THE OSC • REGISTRATION FORM

Registration Fee: \$300 (after September 11, 2000)

Earlybird Fee: \$250 (before September 11, 2000)

To register, please attach your business card to this form and
Fax to: "Dialogue with the OSC" at
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An invoice for the registration fee will follow in the mail.

For a Detailed Program or Further Information:

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Tuesday, October 31, 2000 • Ottawa

**1.1.3 Improving Ontario's Financial Services
Regulation: Establishing a Single Financial
Services Regulator - A Discussion Paper**

On September 8, 2000 the Ontario Ministry of Finance released a Discussion Paper on the proposed merger of the Ontario Securities Commission and the Financial Services Commission of Ontario. The government intends to introduce legislation this fall creating the merged organization. The purpose of the Discussion Paper is to solicit formal comments in advance of the introduction of legislation.

**IMPROVING ONTARIO'S FINANCIAL SERVICES
REGULATION:**

Establishing a Single Financial Services Regulator

A DISCUSSION PAPER

September 2000

Introduction

The 2000 Ontario Budget announced the merger of the Ontario Securities Commission (OSC) and the Financial Services Commission of Ontario (FSCO) into a single financial services regulator. The announcement reflects the government's direction to create an effective one-window regulatory process to better serve and protect consumers, investors, pension plan members and industry participants.

The government intends to introduce legislation in the fall to create the Ontario Financial Services Commission (OFSC), a Crown Corporation with self-funding and rule-making authority responsible for regulating financial services in the Province.

David Young, Parliamentary Assistant to the Minister of Finance, the Honourable Ernie Eves, will lead consultations on this discussion paper with consumers, investors, pension plan members and industry participants across all of the regulated financial services sectors. Feedback and advice to the Minister from this consultation process will form the basis for legislation creating the Ontario Financial Services Commission.

The discussion, set out below, provides an overview of the Canadian financial services regulatory environment, outlines a vision for a new provincial regulator and sets out a proposed framework for harmonizing financial services regulation under the jurisdiction of the Province. To facilitate consultations and to solicit written comments, this discussion paper includes a number of questions.

Interested parties are invited to make written submissions by October 2, 2000. Written submissions should be sent to:

David Young, M.P.P
Parliamentary Assistant to the Minister of Finance
7 Queen's Park Crescent
Frost Building South, 7th Floor
Toronto, Ontario
M7A 1Y7

All submissions should indicate a contact person and contact details (return address, telephone, fax and e-mail address).

Parties interested in making an oral presentation to David Young should contact Melissa Cirinna at (416) 325-0393 or send e-mail at melissa.cirinna@fin.gov.on.ca.

Reason for Change: Ontario's Leadership Role

Existing Regulatory Structure and Context for Change

Historically, each of the four financial sector pillars — banks, insurers, trust companies, and securities firms — was governed by separate legislation that granted the authority to provide a core financial service. Banks provided commercial and consumer loans, accepted deposits and offered chequing accounts. Insurers underwrote and sold insurance. Trust companies provided estate and trust administration and mortgage loans. Securities firms underwrote new issues of securities, and sold and advised with respect to securities in the primary and secondary markets. There was very little overlap between the products and services offered by each pillar and cross ownership between the pillars was limited or prohibited.

Ontario's financial services regulatory framework, like that in other Canadian provinces, was created when the four pillars were separate. The responsibilities of the regulators and the legislation under which they act assume that the institutions in various parts of the financial services sector and the regulatory issues pertaining to them are materially different.

Over the last several years, the Canadian financial services landscape has shifted. The pace of change is expected to continue and intensify, reflecting the evolving needs of both consumers and business, customer demand for new products and services, the advent of new information-based, electronic technologies and global competition from specialized financial institutions and capital markets. With the elimination of most of the rules separating the four pillars, Canadian financial regulation now allows far more competition among different types of providers. The result is that many of the products and services offered to consumers by the insurance, deposit-taking and securities industries are becoming virtually indistinguishable. Many financial services providers are developing products and services which cut across traditional regulatory boundaries.

Increasingly, financial products are emerging that are very similar, such as mutual funds and segregated funds. In this case, these products are distributed by individuals and organizations licensed by both the securities and insurance regulators. About 70 per cent of life insurance agents in Ontario are also registered to sell securities. From the consumer or investor perspective, the distinctions between these products may be very difficult to perceive. However, there can be substantive differences in the regulatory regimes that govern both the products and the distributors. The public is entitled to comparable disclosure and protections for similar products.

There is also a growing shift to defined contribution pension plans which give plan members choices on how to invest their pension assets. This marks a departure from the traditional role of the plan administrator, which included sole fiduciary responsibility for investing the fund. Given this trend, there is a need for regulators to clarify the plan administrator's fiduciary duties in these plans and to enhance protection for members to ensure that they have the tools to make informed investment decisions. Not only is harmonization needed across Canadian jurisdictions, there is also a need to clarify roles for pension, insurance and securities regulators and to

create a level playing field for defined contribution pension plans.

The mismatch between the regulatory structure and the marketplace has resulted in duplication and overlap of regulations, different regulatory treatment of similar products, and gaps in consumer protection.

Canadian Regulatory Context

The regulators in the Canadian financial services sector include the provincial and federal governments, the provincial securities regulators, the federal and provincial regulators of trust companies, credit unions and caisses populaires, insurers, and pension plans, and the federal banking regulators. The federal regulatory effort is focused on ensuring public confidence in the Canadian financial system. This is achieved through prudential regulation which includes determining whether an institution is in sound financial condition and encouraging management and boards to adopt policies and procedures to control and manage risk. Regulation is aimed at the corporate level — very few laws apply to the consumer beyond some cost of borrowing and service charge disclosure requirements. While the latest federal proposals to reform regulation of the financial services sector would introduce two new federal agencies, the Financial Consumer Agency and the Canadian Financial Services Ombudsman, the powers of these agencies to protect consumers are limited to federally regulated institutions.

Provinces and territories regulate securities, insurance, trust and deposit-taking institutions. Securities regulators principally focus on market regulation — ensuring capital markets and market participants operate in a way that is fair and transparent, and that consumers are protected from unfair, improper or fraudulent practices. Deposit-taking institution regulators and insurance regulators look at both solvency and consumer protection concerns. Federal and provincial pension regulators protect the entitlements of pension plan members, and funding of pension plans.

There are also self-regulatory organizations in the insurance and securities industries, as well as stock exchanges and compensation funds (such as the Canadian Investor Protection Fund, the Canadian Life and Health Insurance Compensation Corporation and the Deposit Insurance Corporation of Ontario) that supervise market activity.

In short, there are a significant number of regulatory bodies in Canada. A financial institution operating in every province and territory with both a securities subsidiary and an insurance subsidiary may have to deal with over 30 regulatory authorities, many of them with different rules and varying protections for consumers.

Provincial regulators have recognized the challenges this structure creates for the market and have taken steps to co-ordinate their activities. The securities, pension and insurance regulators have established national associations to facilitate discussions and harmonization initiatives. These associations are the Canadian Securities Administrators (CSA), the Canadian Association of Pension Supervisory Authorities (CAPSA) and the Canadian Council of Insurance Regulators (CCIR).

Several years ago, the federal government, Ontario and other interested provinces tried to forge consensus on a National Securities Commission. Although that effort was unsuccessful, it led to the CSA initiative to create a mutual reliance system in the securities sector by enabling a lead regulator to handle filings, applications and registration. Ontario remains committed to working closely with the financial services authorities of other Canadian jurisdictions to co-ordinate financial services regulation across the country.

A national forum of pension, securities and insurance regulators has also been initiated to discuss common issues arising from the growing integration of the financial services sector. This Joint Forum of Financial Market Regulators has started work on co-ordinating and streamlining market regulatory activity in Canada, across sectors and across provincial jurisdictions. Some recent examples of Joint Forum initiatives include: establishing a financial planning proficiency standard; working to harmonize the regulation of segregated funds and mutual funds; and developing standards for investment disclosure for defined contribution pension plans.

Ontario Leadership

The Ontario Government has taken a number of steps in recent years to strengthen the regulation of Ontario's financial services sector including: giving the OSC rule-making authority and self-funding status; merging the Ontario Insurance Commission, the Pension Commission of Ontario and the Deposit Institutions Division of the Ministry of Finance to form FSCO; and, more recently, passing legislative amendments to give the OSC additional powers to enhance investor protection, streamline regulation and promote harmonization with other provinces and territories.

The OSC and FSCO have also been working co-operatively to address the issues raised by regulatory mismatch and have taken the initiative in dealing with some of the most immediate challenges. On a provincial basis, the two regulators have established an informal council, the Ontario Council of Financial Services Regulators, to discuss and develop co-ordinated policies; on a national basis, both regulators have been driving forces in the creation of the Joint Forum of Financial Market Regulators.

Although these informal harmonization initiatives are promising, the process has its own complexities; it is very slow and risks leaving the regulatory structure behind the changes occurring in the markets and financial services industries. More effective and proactive action could be taken more efficiently if the two agencies were combined.

The pace of change in the provision of financial services is extremely fast, and all indications point to that pace accelerating. New products, services and ways of delivering them to consumers, such as e-commerce and on-line trading, appear almost daily. A regulatory framework designed in the era when deposit-taking institutions, securities firms and insurers operated entirely different businesses cannot adapt fast enough to address new issues, even with the many positive changes that have been made by governments and regulators in recent years. Both consumer protection and industry efficiency may be at risk of being compromised. By acting now, the Government is taking timely action to respond

to this risk by ensuring emerging issues can be dealt with quickly, effectively and with a single, strong voice.

Ontario is the centre of Canada's financial services markets and it is Ontario's consumers and industry members who will benefit most from the improvements proposed. An integrated financial services regulatory framework here would foster international confidence in Canada's markets by consolidating financial services regulation to make Ontario a more attractive place in which to invest and set up business.

It is timely for Ontario to create a new regulatory agency by merging FSCO and the OSC into the Ontario Financial Services Commission. An integrated, efficient regulatory framework for the financial services sector will deliver stronger consumer protection and will demonstrate Ontario's ability and willingness to adapt to the evolving financial services marketplace. It is the logical next step in the process that began with giving rule-making powers to the OSC and forming FSCO.

Harmonization and Merger Activities in Other Jurisdictions

Securities, insurance, and pension regulators have been discussing harmonization and rationalization of financial services regulation for the past several years. Regulators in several other provinces have also initiated discussions about possible restructuring and mergers, and have shown renewed interest as a result of the Ontario budget announcement.

Quebec initiated a review of its financial sector and introduced reforms to share responsibility for regulating the distribution of mutual funds, insurance products and financial planning services between the Commission des valeurs mobilières du Québec and the Bureau des services financiers.

Ontario has been reviewing the regulatory restructuring and harmonization initiatives of other jurisdictions in order to benefit from their experiences. The province recognizes that the trend in a competitive global financial marketplace is to apply integrated regulation across the individual financial services industries in order to better protect consumers and ensure healthy financial markets.

The most significant reforms in harmonizing regulation of the financial services sector have occurred in Australia and the United Kingdom. Australia, in particular, has been a leader in responding to the complex, competitive and global regulatory environment. In July 1999, Australia brought all financial institutions under the supervision of three regulators: the Australian Securities and Investments Commission (ASIC), the Australian Prudential Regulation Authority and the Reserve Bank of Australia. ASIC now regulates all the market conduct (advising, selling and disclosure on financial products and services) of the securities, insurance, pension and banking industries in Australia. In February of this year, the Australian Government released draft legislation to implement the recommendations of a comprehensive review of Australia's financial system, structure and regulation to further strengthen and harmonize its financial services sector. The key aspects of the legislation are:

- ◆ uniform regulation of all financial products
- ◆ a single licensing framework for financial service providers

- ◆ minimum standards of conduct for financial service providers dealing with retail clients
- ◆ uniform disclosure obligations for all financial products provided to retail clients
- ◆ flexibility for authorization of market operations and clearing and settlement facilities.

The scope of ASIC's authority in market regulation and its integrated application across financial sectors will enable ASIC to create a one-window approach to regulation and begin to level the playing field.

In the United Kingdom, the Financial Services Authority (FSA) will become the sole regulator for the financial services industry (insurance, investment business and banking). The U.K. recently announced a target of about one year to complete and implement the Financial Services Markets Act replacing the different frameworks under which various regulators currently operate. This will consolidate existing law and self-regulatory requirements.

Other jurisdictions are also moving toward consolidation. On July 1, 2000, the Japanese government established a new regulatory body, the Financial Services Agency, to oversee securities, banking, insurance and other financial activities. On July 11, 2000, France announced plans to merge the Commission des Operations de Bourse, the country's top capital markets regulator, and the Conseil des Marches Financiers, which supervises market activity.

Vision for the Ontario Financial Services Commission

In moving towards a single financial services regulator, the government's goal is to create an integrated financial services regulatory agency that will lead Canada in consumer and investor protection.

The objective is to establish a one-window approach that will be more efficient and effective — gaps and duplication in regulation across the financial sectors in the Province will be eliminated. Consumers will be given adequate information to make informed decisions. They will be treated fairly and have adequate avenues for redress across financial sectors. Similar financial products and services in Ontario will be given equivalent and fair regulatory treatment.

The expectation is that the new financial services regulator will be in a better position to undertake the following tasks:

Public Protection

- ◆ ensure greater consumer and investor protection from unfair, improper or fraudulent practices within Ontario's financial services sector
- ◆ enhance enforcement capabilities and aggressively enforce clear and unambiguous rules to protect consumers, investors and pension plan members

Simplify and Reduce Red Tape

- ◆ simplify financial services regulation in Ontario by creating a one-window approach to regulation
- ◆ streamline and eliminate duplication, create a more level playing field for financial services products and institutions and create a business and regulatory climate that encourages investment, competition and jobs

Fairness and Transparency

- ◆ ensure common standards so that similar financial products offered by institutions now separately regulated by the OSC and FSCO are subject to equivalent regulation
- ◆ ensure managers of pools of capital operated by mutual funds, insurance companies and pension funds are subject to similar rules of conduct
- ◆ promote public confidence in and understanding of the financial system, including adequate disclosure of the benefits and risks associated with different kinds of investments and financial dealings

Market Freedom

- ◆ provide a regulatory framework that is flexible enough not to impede new products, new technologies and competition, and permit market participants to respond to change in an innovative, timely and efficient manner

Cost Effectiveness

- ◆ enable more effective use of existing resources to improve services to consumers, investors and the industry itself.

Questions

1. Is the vision and scope for the new regulator as described in this paper appropriate?
2. The proposed name for the new regulator is the Ontario Financial Services Commission. Does the proposed name for the new agency adequately capture the activities of the new regulator? If not, what other name should be considered?

Key Elements of Proposed Legislation

The proposed legislation would establish the Ontario Financial Services Commission, a single integrated provincial regulator which would combine FSCO and the OSC into a comprehensive financial services regulator for the Province.

The legislation would establish the OFSC as a self-funded, non-share capital corporation with rule-making powers.

The proposed OFSC would administer, under the authority of a new Act, the statutes which are currently the responsibility of FSCO and the OSC. Thus the OFSC would have regulatory responsibility for:

- ◆ all market participants as defined in the Commodity Futures Act
- ◆ all co-operative corporations to which the Co-operative Corporations Act applies
- ◆ all credit unions, caisses populaires and leagues to which the Credit Unions and Caisses Populaires Act, 1994 applies
- ◆ all persons engaged in the business of insurance and governed by the Insurance Act
- ◆ all corporations registered or incorporated under the Loan and Trust Corporations Act
- ◆ all mortgage brokers registered under the Mortgage Brokers Act
- ◆ all persons who establish or administer a pension plan or pension fund under the Pension Benefits Act and all employers or other persons on their behalf who are required to contribute to a pension plan or pension fund
- ◆ all market participants, as defined in the Securities Act.

The OFSC would also have responsibilities under the Marine Insurance Act, the Motor Vehicle Accident Claims Act, the Prepaid Hospital and Medical Services Act and the Registered Insurance Brokers Act.

Questions

3. Are there other financial services sectors or regulatory activities which should be included under the responsibilities of the new agency?
4. Are there financial services sectors or activities that should not be regulated by the new agency?

Amalgamation

The goal is to ensure a smooth transition to the new regulatory entity for staff and stakeholders of both existing organizations.

The proposal is to introduce a single bill that would be proclaimed in two phases. In the first phase, the OFSC would be established to provide a framework for, and to supervise the establishment of, a single commission responsible for financial services regulation. The OSC and FSCO would continue as separate regulatory authorities until the second phase.

In the second phase, the OSC and FSCO would merge with and continue as the OFSC with rule-making powers.

Governance

The proposed governance structure provides for an independent Commission accountable to the Minister of Finance. It is proposed the Commission have at least nine and not more than 18 members, appointed by the Lieutenant Governor in Council (LGIC) with a view to ensuring that among its members, there is experience and expertise in the regulated financial services sectors. The LGIC would designate a member of the Commission as full-time Chair and Chief Executive Officer of the Commission and up to three full-time Vice-Chairs. The proposed term of office for members of the Commission would not exceed five years.

The new Commission would have decision-making, rule-making and adjudicative powers, similar to the current Ontario Securities Commission. Panels of one or more Commission members would conduct hearings and rule on enforcement and other issues. The Commission would have the power to make by-laws which would be subject to the approval of the Minister of Finance. The members of the Commission would also serve as its Board of Directors, responsible for overseeing the management of the financial and other affairs of the Commission.

It is proposed that the Commission have the authority to delegate any of its powers or duties to any employee of the Commission, except the power to conduct hearings. This authority currently exists under the Securities Act and in legislation administered by FSCO.

A separate Pension Tribunal is also proposed, of which at least three members would also be members of the Commission. The other members of the Tribunal would be qualified candidates appointed by the LGIC.

The Pension Tribunal would only have adjudicative authority. For pension hearings, the panel would be chaired by a member of the Commission who is also a member of the Pension Tribunal. Other members of the panel would be selected from the Tribunal. This will ensure pension panels have the representation and expertise needed to effectively deal with pension matters.

The proposal to create a separate Pension Tribunal reflects the unique nature of pension hearings, which often involve disputes between employers and employees.

There would continue to be a Superintendent who would exercise powers similar to those exercised by the Superintendent of Financial Services under the Insurance Act and the Pension Benefits Act. Decisions or proposed orders of the Superintendent would be subject to a hearing by either the Commission or the Pension Tribunal. The Commission would designate one of its members (who could be a Vice-Chair) or an employee to be Superintendent.

Questions

5. Should there be a separate Pension Tribunal to hear pension matters?
6. Is the proposed structure of the Pension Tribunal appropriate?

Rule-Making: Regulatory Tool to Achieve Harmonization

Background

To achieve the goal of harmonization and to ensure fairness, consistency and a level playing field across financial services sectors under the jurisdiction of the Province, it is proposed that the OFSC have rule-making authority for the statutes it will be charged with administering and enforcing.

The rule-making process is responsive and flexible, ensures appropriate accountability for the regulatory system and allows for openness, public participation and certainty in regulation.

The OSC currently has rule-making authority as defined under Section 143 (1) of the Securities Act and Section 65 of the Commodity Futures Act. The OSC was given rule-making authority on January 1, 1995 to give the Commission sufficient authority to regulate effectively in a flexible, responsible and accountable manner as recommended by the Task Force on Securities Regulation (Daniels' Report).

Rule-making in the Securities Act and Commodity Futures Act gives the regulator the ability to implement rules, to amend or repeal existing regulations as necessary in the face of a rapidly changing financial marketplace, while imposing checks and balances on the exercise of that authority. With rule-making, the regulator is able to capitalize on the specialized expertise of people who are familiar not only with the framework and philosophy of the legislation but also with the practices of the regulated sectors. This expertise is accessed through both Commission staff and stakeholders, including the public at large, in the development, review and comment on proposed rules.

Regulators generally use interpretative policies to assist their stakeholders. While such policies are helpful in interpreting the law, they are not binding. Often this results in lack of consistency in the application of the law as well as inefficient use of resources, both of the regulator and the persons affected. Rules, on the other hand, are binding and provide greater certainty in the regulatory environment. They make for a level playing field among sector participants.

Currently both the OSC and FSCO use non-binding tools to assist the regulated sectors and to provide direction on various statutory provisions. However, where a matter requires a mandatory direction, the ability to make rules, such as the OSC's current rule-making power, is an efficient and transparent way to regulate.

Rule-Making Process

To ensure accountability, it is proposed that the rule-making process continue to be open and transparent by providing notice of proposed rules and inviting public comment. The notice would set out the proposed rule, a statement of its substance and purpose, a reference to the authority under which it is proposed, a discussion of alternatives considered, reference to any significant reports, and a description of its anticipated costs and benefits. Following the initial publication of a proposed rule, the public would be given an appropriate period of time to consider it and to submit comments to the Commission. Under the current OSC rule-making process the

period is 90 days. If a proposed rule is changed materially as a result of comments received, the Commission would subject the amended rule to a subsequent notice and comment period.

Once the Commission has adopted a rule after the notice and comment process, the Commission would deliver to the Minister of Finance a copy of the rule, amended to reflect comments, and publish a summary of the comments received on the rule and the Commission's response to significant issues brought to its attention. Within a reasonable period after a rule's delivery to the Minister (currently 60 days under the OSC process), the Minister may approve or reject the rule or return it to the Commission for further consideration. If the Minister does not approve, reject or return the rule, it becomes effective within a specified time period (currently 75 days after delivery to the Minister, unless a later date is specified in the rule).

The transparency provided by the notice and comment process sets up procedural safeguards which allow stakeholders' input to rules under which they would conduct business. The Minister of Finance can choose whether to approve or reject a proposed rule, or send it back to the Commission for reconsideration. In addition, the Government retains the ability to make regulations wherever there is rule-making. In the event of an inconsistency between a rule and a regulation on the same matter, the regulation would prevail.

The rule-making process is flexible and responsive to the financial marketplace and accountable to the Minister of Finance. Employing rule-making authority where it makes sense will extend its benefits across the regulated financial sectors in Ontario.

Current Rule-Making by the OSC

No change is proposed to the subject matters on which rules may be made under the Securities Act or the Commodity Futures Act.

Section 143 (1) of the Securities Act lists 56 areas in which the OSC may make rules, including matters relating to: requirements for registrants; disclosure and use of information; the listing or trading of publicly traded securities; prospectus requirements; standards of practice and business conduct; sales practices; and requirements for record-keeping.

Section 65 of the Commodity Futures Act permits the OSC to make rules relating to such matters as: registration including applications, suspensions, cancellations and reinstatements; matters relating to registrants; disclosure and use of information; requirements of financial accounting; and regulating recognized commodity futures exchanges.

Proposed Rule-Making Under FSCO Statutes

The introduction of rule-making authority will mostly affect FSCO statutes.

It is proposed that the OFSC be able to make rules under the specific Acts administered by the new agency. The rule-making process and accountability mechanisms, which as presently proposed mirror those currently set out in the securities legislation, would be set out in the enabling

legislation, while the individual statutes would specifically enumerate "heads of power" for rule-making authority.

In proposing rule-making powers for the OFSC, the Government is reviewing FSCO statutes to determine the appropriate areas for rule-making. As a starting point, the regulation-making powers in the FSCO legislation are being reviewed as candidates for rule-making heads of power. Rule-making is being proposed in those areas which are currently governed by regulation or policies. The objective would be to co-ordinate rule-making heads of power in the FSCO statutes with those in the Securities Act and the Commodity Futures Act. This will give the new regulator rule-making authority across the statutes it administers in order to begin the process of leveling the playing field and harmonizing across financial services sectors.

The review is also highlighting areas where it may be appropriate and in the public interest for the Government to retain sole responsibility for making regulations, with no rule-making authority for the new agency. Such areas may relate to substantive public policy matters or interaction with other ministries or provinces/territories. Examples of regulation-making authority that may not be appropriate for rule-making are discussed under the specific Acts.

In addition, rule-making authority may not be appropriate for the Loan and Trust Corporations Act, the Motor Vehicle Accident Claims Act and the Pre-Paid Hospital and Medical Services Act because of the unique nature of these Acts and the Government's continuing review of these areas.

Compulsory Automobile Insurance Act

One potential area for rule-making under this statute could relate to the Facility Association, and could mirror the regulation-making power in section 15(1)(c.1) of the statute which permits making amendments to the Facility's Plan of Operation.

Regulation-making powers currently in the Act that may not be appropriate for rule-making include: prescribing identifying markers such as vehicle identification numbers and providing for their use, and reporting certain information to the Minister of Transportation.

Co-operative Corporations Act

As the Minister of Finance announced in the budget speech on May 2, 2000, the Government will examine ways to revitalize the agricultural co-operative sector by streamlining the regulatory framework for financing new co-operatives. It may not be appropriate to give the new Commission extensive rule-making power with respect to co-operatives pending this review.

However, given that FSCO's responsibility to approve offering statements is very similar to duties exercised by the OSC for prospectus reviews, it is proposed that rule-making authority under this statute be limited to the financing of co-operatives. The new Commission could make rules prescribing the content and use of offering statements; the disclosure of material facts in the sale of securities by co-operatives; and any exemptions to those requirements. Offering statements are addressed in

sections 34(2), 35(2),(3) and (6), and 186(a.1) of the statute and in Regulation 178, sections 12, 12.1, 12.4 and 12.6.

Credit Unions and Caisses Populaires Act, 1994

Rule-making is proposed under this Act to include matters pertaining to incorporation, internal governance, and offering statements, among other things.

For example, the type of rule-making authority proposed for offering statements is similar to that in the Securities Act regarding prospectuses and to that proposed for offering statements under the Co-operative Corporations Act (such as prescribing requirements for the content and use of offering statements, and the disclosure of material facts in the sale of securities by credit unions, and any exemptions to those requirements). Offering statements are governed by provisions of the Credit Unions and Caisses Populaires Act, 1994 in sections 77(2), 78, 80, 83 and 318; and in Regulation 76/95, sections 6 to 11.

Another proposal for rule-making authority relates to internal governance, which could include prescribing the requirements for director training programs; matters relating to the duties and functions of audit committees and of credit committees; matters to be shown in financial statements; and limits regarding the bonding of, and insurance coverage for, directors, officers, agents and employees of the credit union. These items currently exist in Regulation 76/95 under the Credit Unions and Caisses Populaires Act, 1994 and in sections 121(1), 134(2), 137, 151, 317(1)4 and 27, and 320 of the statute.

It may not be appropriate that current regulation-making authority relating to the Deposit Insurance Corporation of Ontario (DICO) and stabilization authorities be subject to rule-making authority. The result would be that DICO, a self-regulating organization, would not be directly regulated by the proposed OFSC, and would continue to report to its stakeholders and the Minister of Finance as it is currently required to do under the Act.

Insurance Act

Proposed rule-making authority under the Insurance Act relating to automobile insurance could include: Designated Assessment Centres; property damage; underwriting, rates and risk classification; pre-inspection of automobiles and market conduct.

As well, there could be rule-making in relation to certain limited aspects of statutory accident benefit claims. For example, this could include rules relating to: disputes between insurers over who is required to pay statutory accident benefits; agreements to settle claims and disputes; assignments of statutory accident benefits; and prescribing classes of persons, classes of automobiles, and terms and limits pertaining to indemnification between insurers. The above items are currently found in Regulation 283/95, Regulation 664, Regulation 403/96, and Bulletin A-5/95.

Market conduct rules would permit the Commission to make rules prescribing standards of practice and business conduct for insurers; prescribing any activity or failure to act that constitutes an unfair or deceptive practice; and prescribing

disclosure or furnishing of information to applicants for insurance, policyholders and the public. Current authority for corresponding regulation-making authority can be found in sections 121(1), 229 and 438 of the Insurance Act. Market conduct is also regulated pursuant to Regulation 7/00, and Bulletins A-11/97 and A-2/98.

Other potential heads of rule-making authority could include matters relating to: compensation corporations; regulation of agents and adjusters; group insurance; cost of borrowing; and regulation of variable insurance contracts (segregated funds).

It may not be appropriate to include rule-making authority relating to the level of statutory accident benefits, requiring insurers to offer optional benefits, or prescribing rules for interpreting the relevant regulations. As well, regulations relating to tort provisions, uninsured motorist coverage, information provided to the Ministry of Community and Social Services, and amounts payable to the Ministry of Health, may not be suitable candidates for rule-making. The investment provisions are under legislative review and therefore not currently being considered for corresponding rule-making authority.

Mortgage Brokers Act

Proposals for rule-making authority under this statute could include registration, prospectus requirements and market conduct.

Rule-making authority for market conduct may involve rules prescribing and establishing standards of practice for mortgage brokers. Market conduct issues are currently addressed by section 33(b), (h) and (i) of the statute, and Regulation 798 under the Mortgage Brokers Act.

Pension Benefits Act

The pension sector is unique in that pension plan members are often required to participate in pension plans as a condition of employment and pension issues, in most cases, are the focus of debate between employers and employees.

Regulation-making authority under the Pension Benefits Act which may be appropriate for rule-making authority include: pension plan and pension fund administration requirements, such as plan registration requirements; investment matters; time frames for filing information; the required contents of any form or application; rules regarding the records that must be kept by plan administrators; rates of interest; and the method of calculating interest payable.

An issue for consideration is whether other, more substantive, regulation-making authority should be considered for rule-making. In this regard, rule-making authority could include: employer funding obligations; criteria that must be complied with before any surplus may be paid out of a pension fund; the extent to which pension benefits are guaranteed by the Pension Benefits Guarantee Fund; methods for calculating the value of assets and liabilities of pension plans; rules governing the wind-up of pension plans including the determination of priorities of payment and the allocation of assets; the circumstances under which funds may be withdrawn from prescribed retirement savings arrangements; and the calculation of pension benefits on marriage breakdown.

The regulation-making authority to exempt pension plans, pension funds, employees, administrators and other persons from the application of all or parts of the Act could also be considered for rule-making authority.

Questions

7. Are there areas of regulation-making that should remain solely within the Government's purview and not be subject to potential rule-making? If so, which regulation-making powers should not be subject to corresponding rule-making authority, and why?
8. In what ways should rule-making powers be expanded in order to achieve a level playing field across financial services sectors?
9. Should common rule-making powers, such as disclosure requirements, financial reporting and procedures for filing information, which cut across all the regulated sectors, be included in the enabling legislation?
10. Are there any comments regarding the current OSC rule-making process and any suggestions for improvements?
11. What is the most effective process for the new agency to communicate proposed rules, and more specifically, to provide notice of proposed rules?

Investigation, Examination and Enforcement

The proposed investigation, examination and enforcement powers for the OFSC build on the provisions in the Securities Act and FSCO statutes.

Both FSCO and the OSC conduct informal investigations. In addition the OSC and, in certain cases, FSCO conducts formal investigations pursuant to orders. It is proposed that the OFSC's formal investigation powers be adapted from the existing provisions of the Securities Act. Furthermore, it is also proposed that there will continue to be provisions allowing for examinations and inquiries without the need for a formal investigation order.

To ensure that the new Commission has the powers needed to adequately perform its investigation and enforcement responsibilities, a number of new provisions are proposed.

It is proposed to include a provision, currently in the Insurance Act, that an officer, director or employee who is served with a summons to appear with corporate records will not be able to take the position that the records are not in his or her possession. Similarly, the provision currently in the Insurance Act permitting the Commission, upon obtaining a search warrant, to enter private dwellings to obtain relevant documents would also be included.

Another significant proposed change would permit evidence and material obtained under an investigation order to be disclosed without notice in certain additional circumstances,

including disclosure to other regulatory agencies and self-regulating organizations.

Questions

12. Will the new regulatory agency need investigation and enforcement powers in addition to those contained in current legislation?

Fees

The new agency would operate on a cost-recovery basis. It is proposed that the OFSC have the power to make rules covering fees and/or assessments, as authorized by statute. In setting fees and assessments, the new agency would attempt to ensure each regulated sector pays its fair share of costs. The new regulator would ensure no market sector would subsidize any other market sector's fees and revenues.

The proposed legislation will not interfere with the OSC's commitment to reduce fees for market participants. The OSC has been successful in reducing fees by 20 per cent and is on track with its initiative to reform the fee structure to ensure fees more closely match expenses.

Other Powers

It is proposed that the OFSC have the power to enter into agreements and Memoranda Of Understanding (MOU) with financial services regulatory authorities, self-regulatory organizations and any governments or government agencies, within Canada or abroad. The Commission would be required to publish every MOU and the Minister of Finance would have 60 days from the date of publication to approve or reject an MOU.

To meet its short-term needs, it is proposed that the Commission have the authority, subject to Ministerial approval, to borrow money for periods of not more than two years.

Accountability

The goal is to ensure the OFSC carries out its responsibilities in an open, transparent and accountable way. The new agency will be accountable to the Provincial Legislature through the Minister of Finance.

It is proposed that public accountability be achieved by:

clear governance structure

- ◆ the Lieutenant Governor in Council (LGIC) would appoint members of the Commission for a term not to exceed five years and designate a Chair and up to three Vice-Chairs

the LGIC would appoint non-Commission members to the Pension Tribunal

transparency and public accountability in rule-making

- ◆ rules would be published for public comment and the Minister may approve, reject, or direct the OFSC to reconsider any rule
- ◆ the Government may also make regulations with respect to any matters on which the OFSC may make rules
- ◆ in the case of an inconsistency between a rule and a regulation on the same matter, the regulation would prevail

clear reporting and accountability mechanisms

- ◆ the Minister and the OFSC would enter into a Memorandum of Understanding setting out their respective roles and responsibilities, the accountability relationship and the responsibility of the Commission to provide the Minister with business plans, operational budgets and plans for any proposed significant changes in the operations or activities of the Commission and any other matter that the Minister may require
- ◆ the Minister would receive an annual report and audited financial statements and the Provincial Auditor may also audit the financial statements of the Commission

accountability to Legislative Assembly

- ◆ the Minister would table the Commission's annual report with the Legislative Assembly
- ◆ every five years, the Minister would appoint an advisory committee to review all or part of the OFSC legislation, regulations and rules deemed appropriate by the Minister, solicit the views of the public and prepare a report
- ◆ the Minister would table that report in the Legislature and a select or standing committee of the Legislative Assembly would be appointed to review the report, hear from interested parties and make recommendations to the Legislative Assembly

transparent operating framework

- ◆ the new agency would deliver to the Minister and publish an annual statement of its proposed priorities and an outline of anticipated expenditures for the next fiscal year
- ◆ before publication of its statement of priorities, the OFSC would invite public comment on the matters that should be identified as priorities

other accountability measures

- ◆ Minister's approval would be required for any borrowing by the OFSC
- ◆ agreements and Memoranda of Understanding between the OFSC and another financial services regulatory

authority, any organization, and any government or government agency would be delivered to the Minister and published, and the Minister would have 60 days to approve or reject any agreement or MOU

Questions

13. What additional accountability measures may be needed given the proposed rule-making and enforcement powers of the new agency?
14. Should the proposed five-year review cover all the statutes under the administration of the new agency, or be selective? Is every five years an appropriate time frame for a review?

Conclusion

The Ontario Government's intent is to introduce legislation in the upcoming fall session of the Legislature to merge the Ontario Securities Commission and the Financial Services Commission to create the Ontario Financial Services Commission – a new, more effective financial services regulator that will have the tools to promote a healthy environment for business activity, financial market integrity and consumer, investor and pension plan member confidence and protection.

Organizational Structure

With respect to the organizational structure, it is proposed that a functional approach be used to merge the business activities of both organizations. Although a number of factors need to be taken into consideration, including a cost-benefit analysis, resources and staffing implications, the intent is to integrate similar activities and functions within a common business group. For example, FSCO licensing and registration and OSC registration both engage in similar activities. The new Commission may wish to consider merging these activities into a single business. Other similar functions include: FSCO examinations and OSC compliance; and FSCO investigations and enforcement and OSC investigations and enforcement.

Questions

15. How should the new organization be structured to meet the challenges of the marketplace?
16. How should consumer complaints be handled in the new regulatory process?
17. Currently there is an Ombudsman designated under the Insurance Act. Should the role of the Ombudsman be expanded to other sectors of the new agency? The federal government has introduced Bill C-38, to create a Canadian Financial Services Ombudsman. Should the province work with other jurisdictions and Ottawa to create a national financial services Ombudsman?

Background Information

	ONTARIO SECURITIES COMMISSION	FINANCIAL SERVICES COMMISSION OF ONTARIO
Budget (projected 2000/2001)	Revenue: \$73.1 m Expenditures: \$51.5 m Capital: \$4.1 m	Revenue: \$36.9 m Expenditures: \$36.9 m
Actual 1999/2000 Budget	Revenue: \$82.4 m Expenditures: \$41.3 m Capital: \$5.9 m	Revenue: \$35.1 m Expenditures: \$35.9 m
Distributions to Government of Ontario (projected 2000/2001)	\$17.5 m	Currently all revenues go to the Consolidated Revenue Fund (CRF).
Number of Employees	312	375
Corporate Structure	Self-funded Crown corporation	Provincial agency of the Ministry of Finance
Governance Structure	Commission comprised of 12 members: a full-time Chair, two Vice-Chairs and nine part-time members. The Board oversees the management of financial and other affairs of the OSC. The Commission is also an administrative, adjudicative and policy-making body.	Commission is comprised of: the Chair and two Vice-Chairs; the CEO/Superintendent of Financial Services; and the Director of Arbitrations. The Superintendent is responsible for financial and administrative affairs of FSCO. There is also an independent Tribunal that holds hearings. The Tribunal consists of 12 part-time members, including a Chair and Vice-Chair that are also Commission members.
Financial Services Sectors Served	Capital markets registrants, investment products (including mutual funds), markets and clearing and settlement systems; all issues of securities traded in Ontario's capital markets.	Insurance Pensions Credit Unions/Caisses Populaires Co-operatives Mortgage Brokers Loan and Trust
Responsibility for Policy	Commission makes rules (subject to Ministerial approval); Commission makes recommendations to the Minister of Finance for changes in legislation	Commission recommends to the Minister of Finance changes in legislation. The Superintendent has the authority to make regulatory policy.
Statutes Administered	<ul style="list-style-type: none"> ◆ Commodity Futures Act ◆ Securities Act 	<ul style="list-style-type: none"> ◆ Co-operative Corporations Act ◆ Credit Unions and Caisses Populaires Act, 1994 ◆ Compulsory Automobile Insurance Act ◆ Financial Services Commission of Ontario Act, 1997 ◆ Insurance Act ◆ Loan and Trust Corporations Act ◆ Marine Insurance Act ◆ Mortgage Brokers Act ◆ Motor Vehicle Accident Claims Act ◆ Pension Benefits Act ◆ Prepaid Hospital and Medical Services Act

1.2 Notice of Hearings

1.2.1 Wayne S. Umetsu - s. 60

IN THE MATTER OF THE *COMMODITY FUTURES ACT*,
R.S.O. 1990, c.C.20, AS AMENDED

AND

IN THE MATTER OF WAYNE S. UMETSU

NOTICE OF HEARING
(Section 60)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 60 of the *Commodity Futures Act*, R.S.O. 1990, c.C.20, as amended (the "Act") at the offices of the Commission, on the 17th Floor, Main Hearing Room, 20 Queen Street West, Toronto, Ontario commencing on the 12th day of October, 2000 at 10:00 a.m.

TO CONSIDER whether, pursuant to sections 60 and 60.1 of the Act, it is in the public interest for the Commission:

- (i) to make an order that the exemptions contained in Ontario commodity futures law do not apply to the Respondent permanently or for such period as the Commission may direct;
- (ii) to make an order that the Respondent be reprimanded;
- (iii) to make an order prohibiting the Respondent from becoming or acting as a director or officer of any issuer permanently or for such period as the Commission may direct;
- (iv) to make an order that the Respondent pay the costs of the Commission's investigation and this proceeding; and/or
- (v) to make such further orders as the Commission may deem appropriate.

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

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the hearing;

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

September 6th, 2000.

"John Stevenson"

1.2.2 Wayne S. Umetsu - Statement of Allegations

IN THE MATTER OF THE *COMMODITY FUTURES ACT*,
R.S.O. 1990, c.C.20, AS AMENDED

AND

IN THE MATTER OF
WAYNE S. UMETSU

STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

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

The Respondent

1. Wayne S. Umetsu ("Umetsu") was registered with the Ontario Securities Commission (the "Commission") as a salesperson pursuant to the *Commodity Futures Act* (the "Act") for various periods of time since approximately August, 1981. During the material time, Umetsu was registered with the Commission as a salesperson, pursuant to the Act, with F.C. Canada Investments Inc. ("F.C. Canada") from April 8, 1997 to May 2, 1997 and again with F.C. Canada from December 16, 1997 to February 28, 1998. F.C. Canada was, at the material time, registered as an Introducing Broker pursuant to the Act.
2. Umetsu was not registered with the Commission in any capacity during the period between May 2, 1997 and December 16, 1997.
3. Umetsu has not been registered with the Commission in any capacity since his employment with F.C. Canada was terminated on February 28, 1998.

Facts

4. W. E. is an individual who was a client of Umetsu.
5. In or around April, 1997, W.E. attended an information seminar hosted by F.C. Canada that was advertised as an opportunity to learn about commodities, futures and options trading (the "Seminar"). W.E. met Umetsu (then a salesperson employed by F.C. Canada) at the Seminar who advised W.E. that he had 15 years experience trading in futures contracts.
6. At the Seminar W.E. asked Umetsu about investing and opening an account with F.C. Canada. Umetsu advised W.E. that he would be leaving F.C. Canada in the near future and joining a better investment company. Umetsu requested that W.E. wait to make his investment until Umetsu had joined the new company.
7. Umetsu's employment with F.C. Canada was terminated on May 2, 1997, at which time his registration as a salesperson was suspended pursuant to the Act.

8. In early May, 1997, Umetsu joined Prime Canadian Futures Company ("Prime") (an Investment Dealers Association of Canada member) was registered as a Futures Commission Merchant under the Act. Prime did not however, at any time, provide the Commission with notice in writing of Umetsu's employment by Prime. As such, Umetsu's registration as a salesperson under the act was not reinstated when he became employed by Prime.
9. On or about May 7, 1997, W.E. met with Umetsu at Prime's office to open an account. Umetsu did not advise W.E. that he was no longer registered under the Act to trade in contracts.
10. Between May 27 and September 16, 1997, W.E. deposited \$23,000 into his account at Prime. W.E. instructed Umetsu to effect certain transactions in a commodity futures contract and three commodity futures contracts were in fact purchased and sold in W.E.'s account at Prime.
11. Late in the summer of 1997, Umetsu advised W.E. that he was moving to a new company and W.E. agreed to keep his business with Umetsu rather than transfer it to another representative at Prime. W.E. withdrew all funds from his account at Prime and received two cheques dated September 22, 1997 for Cdn\$11,000 and US\$5,342. At this time there were no open contracts in his account at Prime, but W.E. believed that Umetsu had between 10 and 20 commodity futures contracts for him in an account under Umetsu's name.
12. On September 23, 1997, Umetsu instructed W.E. to make a cheque payable to "LFG, care of Wayne Umetsu", so that Umetsu could transfer W.E.'s account to Umetsu's new firm. Later the same day, Umetsu contacted W.E. and requested him to reissue the cheque to Umetsu personally. Umetsu picked up the \$19,000 cheque at W.E.'s home and deposited it into his personal account at Canada Trust. Umetsu made no investment on behalf of W.E. with respect to the \$19,000.
13. At Umetsu's request, on October 31, 1997, W.E. made an emergency wire transfer to Umetsu's account at Canada Trust in the amount of \$15,000. W.E. was advised by Umetsu that funds were required to protect his investments. Umetsu made no investment on behalf of W.E. with respect to the \$15,000.
14. On or about December 23, 1997, W.E. provided Umetsu with a cheque in the amount of \$1,000 to be invested and the cheque was deposited into Umetsu's account at Canada Trust. Umetsu made no investment on behalf of W.E. with respect to the \$1,000.
15. Between March 17 and July 23, 1998, W.E. paid another \$44,500 to Umetsu for the purposes of investment as follows: cash of \$3,500 and six cheques totalling \$41,000 which were deposited into Umetsu's account at Canada Trust. Again, Umetsu made no investment on behalf of W.E. with respect to the \$45,000.
16. By a handwritten agreement dated December 7, 1999 (the "Agreement"), Umetsu agreed to pay back to W.E. the sum of \$150,000 in connection with the monies given to him by W.E. for investment purposes. In connection with the Agreement, Umetsu provided W.E. with 6 postdated cheques totalling \$100,000. W.E. attempted to cash the first cheque, but it was returned NSF. Shortly thereafter, Umetsu advised W.E. that he did not intend to honour the Agreement.
17. Umetsu breached the Act by trading in futures contracts without being registered to do so, contrary to section 22 of the Act and/or by holding himself as being registered to trade in futures contracts, contrary to section 52 of the Act.

Conduct Contrary To the Public Interest

18. The conduct of Umetsu as described above contravened Ontario commodity futures law and was contrary to the public interest.

Other

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

DATED at Toronto this 6th day of September, 2000.

1.3 News Releases

1.3.1 Wayne S. Umetsu - OSC Commences Proceedings

September 11, 2000

Re: OSC Commences Proceedings against Wayne S. Umetsu

Toronto - The Ontario Securities Commission (the "Commission") has issued a Notice of Hearing and Statement of Allegations against Wayne S. Umetsu, a former salesperson registered to trade in commodity futures.

Mr. Umetsu is alleged to have taken approximately \$80,000 in funds given to him by a client for purposes of trading in commodity futures and used them for his own personal benefit. It is also alleged that Mr. Umetsu traded in commodity futures without being registered to do so and/or held himself out to be registered to trade in commodity futures. Mr. Umetsu's conduct is alleged to be in contravention of Ontario commodity futures law and the public interest.

The hearing is scheduled to commence at 10:00 a.m. on October 12, 2000 at the offices of the Commission on the 17th Floor, Main Hearing Room.

Copies of the Notice of Hearing and the Statement of Allegations are available at www.osc.gov.on.ca or from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario. Any questions from members of the investing public can be directed to the inquiries line at the Commission at (416) 593-8314.

References:

Frank Switzer
Director, Communications
(416) 593-8120

Michael Watson
Director, Enforcement Branch
(416) 593-8156

1.3.2 OSC Warns Investors To Be Wary of Stock Swap Scam

September 12, 2000

INVESTOR ALERT

OSC Warns Investors To Be Wary of Stock Swap Scam

Toronto - The Ontario Securities Commission is warning investors of a two-stage stock scam involving worthless stock, "swaps" and salespeople claiming to represent legitimate U.S. companies.

While the OSC has recently received complaints concerning this scam, the people responsible have primarily targeted residents of New Zealand and Australia. There are two stages to this harmful scam:

Stage One:

- An investor will be solicited by someone in Ontario purporting to work for a brokerage house offering an incredible deal on a stock described as a once in a lifetime investment. The stock being touted will likely be a US based over-the-counter micro-cap stock worth fractions of a cent.
- The brokerage house, while holding a large block of the stock, will actively promote the stock so that the price is driven significantly upward. Once a sufficient number of investors have over-paid for the stock, the brokerage house ceases to support the market for the stock and the value of the stock falls dramatically, usually to less than one cent per share.
- When the victim tries to contact the brokerage house or the company (i.e., the issuer) in whose shares the victim has regrettably invested, the victim is surprised to find out that the brokerage house no longer exists and the issuer refuses to answer questions. The victim is left holding worthless stock for which there is apparently no demand.

Stage Two:

The investor will be victimized again if he or she is duped into the second stage of the stock swap scam.

- Having already purchased worthless stock at an excessively inflated price, the investor receives another solicitation from someone posing as a sales representative of a legitimate sounding company. In a recent scam, a sales representative has lied to a victim by saying that he was licenced by the Securities and Exchange Commission and that he worked for Money Concepts Capital Corporation. Money Concepts Capital Corporation is a bona fide corporation operating out of the State of Florida in the USA.

In particular, the sales representative stated that he worked out of the Toronto (Canada) branch office of Money Concepts Capital Corporation at 150

Cumberland Street, Suite 2202. No such branch offices for Money Concepts Capital Corporation exist in Canada

- The sales representative told the victim that he represented a group of clients who had heavy tax burdens and who wished to alleviate such tax burdens by acquiring stocks that have recently declined (purportedly, enabling these clients to claim capital losses against capital gains). The sales representative proposed that the victim swap their worthless stocks for blue chip stocks held by the tax burdened clients. The sales representative said that for the purposes of the swap he could value the victim's stocks at the price(s) that the victim paid.
- However, since a block of the blue chip stock was priced higher than the value of the victim's micro-cap stock, the victim was required to pay an amount of money to cover the difference in the value of the stocks. In one case, a victim submitted US \$12,250.00 to a New York branch of the HSBC Bank where the suspect held an account. The victim did not actually receive the blue chip stock. Accordingly, the victim was swindled a second time.

It is important to note that neither Money Concepts Capital Corporation nor Money Concepts (Canada) Limited are the perpetrator of this scam. The suspect who targeted the victim in the scam described above lied about his affiliation with Money Concepts Capital Corporation; he is in no way associated with either Money Concepts Companies.

Complaints have been directed at both Money Concepts Capital Corporation and Money Concepts (Canada) Limited for their alleged involvement, however, the Ontario Securities Commission wishes to re-iterate that the suspect committing the fraud is only using the names of legitimate firms to entice victims to part with their money.

Similar Scams using other Corporate identities;

Another legitimate US firm, United American International Limited, has had its identity compromised in a similar manner in recent weeks.

A sales representative, again working out of Ontario, has been calling investors and telling them that he works for United American International Limited. He is using the same type of sales pitch as previously described in *Stage Two*.

The sales representative has been providing investors with a business address of 130 King Street West Suite 1900 in the City of Toronto – no such address exists.

Anybody solicited to invest or engage in a like stock swap or anybody having information pertaining to this or a similar scam or a suspect should contact the OSC and/or a local securities regulatory authority.

Reference:

Rowena McDougall
Sr. Communications Officer
(416) 593-8117

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Acuity Global Equity Fund and Acuity G7 RSP Equity Fund - MRRS Decision

Headnote

MRRS for Exemptive Relief Applications - Extension of lapse date to permit the integration of the operation and administration of two groups of mutual funds and the consolidation of the disclosure materials of such funds.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss 62(1), 62(2) and 62(5).

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 AND YUKON TERRITORY

AND

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

AND

IN THE MATTER OF
ACUITY GLOBAL EQUITY FUND
ACUITY G7 RSP EQUITY 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 and Yukon Territory (the "Jurisdictions") has received an application (the "Application") from Acuity Funds Ltd. (the "Manager"), Acuity Global Equity Fund and Acuity G7 RSP Equity 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 October 2, 2000;

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

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

- (a) The Manager is a corporation incorporated under the laws of the Province of Ontario. The Manager is the manager, principal distributor and promoter of the Funds. The Trust Company of the Bank of Montreal is the trustee of the Funds.
- (b) The Funds are open-ended mutual fund trusts established by the Manager under the laws of the Province of Ontario.
- (c) Each Fund is a reporting issuer in the Jurisdictions and is not in default of any requirements of the Legislation or the rules or regulations made thereunder.
- (d) Each of the Funds is qualified for distribution in the Jurisdictions by means of a simplified prospectus and annual information form dated August 30, 1999.
- (e) Pursuant to the Legislation, the earliest lapse date in the Jurisdictions for the distribution of units of the Funds under the Prospectus is August 30, 2000 (the "Lapse Date"). The lapse date for the distribution of units of the Funds under the Prospectus in Ontario is September 3, 2000.
- (f) Since the date of the Prospectus, there have been no material change to the affairs of the Funds and no amendments to the Prospectus have been made. Accordingly, the Prospectus represents up to date information regarding each of the Funds offered. The extension requested will not affect the currency or accuracy of the information contained in the Prospectus of the Funds and accordingly will not be prejudicial to the public interest.
- (g) In addition to the Funds, the Manager is also the manager, principal distributor and promoter of the Acuity Canadian Equity Fund, Acuity Canadian Balanced Fund, Acuity Bond Fund, Acuity High Income Fund, Acuity Money Market Fund, Clean Environment Equity Fund, Clean Environment Balanced Fund and Clean Environment International Equity Fund (the "Other Acuity Funds"). The Trust Company of the Bank of Montreal is the trustee to the Other Acuity Funds.
- (h) The Other Acuity Funds are qualified for distribution in the Jurisdictions under a simplified prospectus and annual information form dated November 30, 1999. Pursuant to the Legislation, the earliest lapse date in

the Jurisdictions for the distribution of units of the Other Acuity Funds is November 30, 2000.

- (i) As the Funds and the Other Acuity Funds have a common manager and their affairs are conducted in a similar manner, the Manager proposes to consolidate the disclosure materials of the Funds and the Other Acuity Funds in order to facilitate the simultaneous renewal of the prospectus for the Funds and the Other Acuity Funds. The requested extension of the Lapse Date would afford the Manager the opportunity to release a multiple simplified prospectus and multiple annual information form (the "Renewal Prospectus") for all the funds managed by the Manager (including both the Funds and Other Acuity Funds) and consequently align the Lapse Date of the Funds with the lapse date of the Other Acuity Funds.
- (j) An extension of the Lapse Date for the filing of the Renewal Prospectus would also provide the Manager with the time necessary to prepare the annual disclosure materials of the Funds and the Other Acuity Funds in accordance with National Instrument 81-101 Mutual Fund Prospectus Disclosure.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the 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 units under the Prospectus of the Funds was October 2, 2000.

August 4th, 2000.

"Rebecca Cowdery"

2.1.2 Canbras Communications Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Exemption granted from the requirement to disclose executive compensation in Item 6 of Form 30 and indebtedness of directors, executive officers and senior officers in Item 7 of Form 30 in connection with the mailing of an information circular for a special shareholders' meeting to approve a related party transaction pursuant to Ontario Rule 61-501 and Quebec Policy Q-27 - Relief granted because the excluded information had just been publicly disclosed in connection with the issuer's annual meeting, there had been no material change in the excluded information since it was publicly disclosed, and the excluded information was not relevant to the matters under consideration at the special meeting.

Ontario Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am, ss. 86(1) and 88(2)(b).

Ontario Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Items 6 and 7 of Form 30.

Ontario Rules Cited

Rule 61-501 - Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions (2000) 23 OSCB 971, ss. 5.4(1).

**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
CANBRAS COMMUNICATIONS CORP.**

DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Canbras Communications Corp. ("Canbras") for a decision pursuant to the Canadian securities legislation of the Jurisdictions (the "Legislation") that Canbras be exempted from the requirement to include disclosure in the Information Circular (as defined below) regarding executive

Decisions, Orders and Rulings

compensation and indebtedness of directors, executive officers and senior officers as otherwise required by the Legislation (collectively, the "Required Disclosure");

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

AND WHEREAS Canbras has represented to the Decision Makers that:

1. Canbras was continued under the *Canada Business Corporations Act* on June 22, 1998. Canbras became a reporting issuer in Ontario in May, 2000 when its common shares (the "Common Shares") were listed and posted for trading on The Toronto Stock Exchange. It is also a reporting issuer in British Columbia, Quebec, Nova Scotia, Saskatchewan and Alberta and has undertaken to file all continuous disclosure documents with Newfoundland, Prince Edward Island, New Brunswick and Manitoba as if it were a reporting issuer in such jurisdictions.
2. The authorized capital of Canbras consists of an unlimited number of Common Shares, of which 19,223,113 are issued and outstanding as of August 22, 2000.
3. Bell Canada International Inc. ("BCI") owns and/or controls (directly and indirectly) approximately 54.5% of the outstanding Common Shares (on a non-diluted basis). Accordingly, Canbras and BCI are considered related parties for the purposes of Ontario Rule 61-501 (the "Rule") and Quebec Policy Q-27 (the "Policy").
4. Since May, 1998, BCI has provided Canbras with a series of secured, subordinated loans which, in the aggregate, including accrued interest, currently total approximately \$79.5 million (the "BCI Loans"). In connection with the provision of some of the BCI Loans or the amendment of the terms of the BCI Loans, Canbras obtained exemptions or waivers from the valuation and minority approval requirements of the Rule.
5. On July 27, 2000 BCI and a specially appointed committee of directors of Canbras who are independent from BCI and who are acting on behalf of Canbras (the "Special Committee") reached an agreement in principle to:
 - (i) convert the BCI Loans into Common Shares based on a price of \$11.17 per Common Share (the "Conversion Transaction"); and
 - (ii) concurrently with the Conversion Transaction, have BCI provide Canbras with a new short-term convertible subordinated loan facility in the amount of \$25 million (the "New Loan").

Based on the conversion price of \$11.17, Canbras will issue approximately 7.1 million Common Shares to BCI in the Conversion Transaction, which will increase BCI's

ownership in Canbras from the present level of 54.5% to approximately 66.8% of the outstanding Common Shares.

6. The New Loan will contain substantially the same terms as those agreed to in previous loans with BCI but will be unsecured. The New Loan will have a maturity date of December 31, 2000, subject to early repayment at Canbras' option, and subject to early mandatory repayment in certain events. The New Loan is convertible into Common Shares in certain circumstances, subject to any requisite regulatory requirements.
7. The Conversion Transaction and New Loan (collectively, the "Transaction") are subject to the formal valuation, minority approval and disclosure provisions in the Rule and Policy applicable to related party transactions.
8. The agreement-in-principle for the Transaction was reached following the recommendation of the Special Committee and is subject to the receipt of the approval of a majority of Canbras' shareholders other than BCI (the "Independent Shareholders") at a special meeting of the shareholders of Canbras to be held on September 26, 2000 (the "Special Meeting"), all requisite regulatory and third party lender approvals and consents, the ratification of the board of directors of BCI and the receipt of a fairness opinion from Merrill Lynch, Pierce, Finner & Smith Incorporated ("Merrill Lynch"), an independent financial advisor that was retained as a financial advisor by the Special Committee. Merrill Lynch also is providing a formal valuation, a summary of which will be included in the information circular (the "Information Circular") being prepared for the Special Meeting.
9. Unless a discretionary exemption was granted, the Legislation would require that the Information Circular include the Required Disclosure.
10. The Required Disclosure is not relevant to the matters being considered by the Independent Shareholders at the Special Meeting since the directors and senior officers of Canbras are not directly or indirectly parties to the Transaction and neither their performance nor their compensation is to be at issue at the Special Meeting.
11. The Required Disclosure was provided to shareholders of Canbras in the information circular dated April 18, 2000 (the "Annual Meeting Circular") that was mailed to the shareholders of Canbras, and filed in the Jurisdictions, in connection with its annual general meeting held on June 20, 2000 and there has been no material change to the Required Disclosure as contained in the Annual Meeting Circular.

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

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

THE DECISION of the Decision Maker pursuant to the Legislation is that Canbras be exempted from the requirement to include the Required Disclosure in the Information Circular.

September 8th, 2000.

"J. A. Geller"

"Morley P. Carscallen"

2.1.3 Hydrogenics Corporation - MRRS Decision

Headnote

Section 147 - exempting issuer from eligibility requirements of section 4.1 of National Policy 44, to permit use of the post receipt pricing procedures, in connection with demutualization.

Statutes Cited

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

Rules Cited

In The Matter of Rules for Shelf Prospectus Offerings and for Pricing Offerings after the Prospectus is Received (1997) 20 OSCB 1217 (National Policy Statement No. 44).

Policies Cited

National Policy Statement No. 44.
National Policy Statement No. 47.

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

AND

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

AND

IN THE MATTER OF
HYDROGENICS CORPORATION

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland (the "Jurisdictions") have received an application from Hydrogenics Corporation (the "Corporation") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") exempting the Corporation from the prospectus requirements of the Legislation and permitting the use by the Corporation of the PREP Procedures (as such term is defined in section 4.1 of National Policy Statement 44 – Rules for Shelf Prospectus Offerings and for Pricing of Offerings after the Final Prospectus is Received ("National Policy 44") and similar procedures under the Legislation of Quebec (the "Quebec Procedures")) as if the Corporation was eligible under National Policy 44 and sections 37.5, 37.6 and 37.7 of the *Regulation respecting Securities* under the Legislation of Quebec (the "Quebec Regulation") in connection with the Corporation's proposed initial public offering of common shares (the "Shares");

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

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

1. The Corporation is organized under the laws of Canada with its registered office located at 100 Caster Avenue, Woodbridge, Ontario L4L 5Y9. The Corporation is not a reporting issuer or equivalent in any of the Jurisdictions.
2. The Corporation's proposed offering (the "Offering") will be its initial public offering of the Shares, made concurrently to the public in Canada and the United States.
3. The size of the Offering is currently anticipated to be approximately US\$100 million.
4. The Corporation filed a preliminary long form prospectus dated July 31, 2000 (the "Preliminary Prospectus") on August 1, 2000 with the securities regulatory authorities and filed a registration statement on Form F-1 containing the Preliminary Prospectus (the "Registration Statement") on July 31, 2000 with the United States Securities and Exchange Commission (the "SEC").
5. There is presently no public market for the Shares. However, the Corporation has applied to the Toronto Stock Exchange to list the Shares for trading and to the NASDAQ National Market to have the Shares approved for quotation.
6. In connection with the Offering in the United States, the Corporation plans to use the procedures permitted by Rule 430A under the Securities Act of 1933, pursuant to which the Corporation will be permitted to omit from the Registration Statement certain price-related information and file a form of prospectus containing the previously omitted pricing information after the Registration Statement has been declared effective by the SEC.
7. Use of the PREP Procedures and the Quebec Procedures would permit the Corporation and the underwriters to better co-ordinate the pricing, prospectus delivery, confirmation of purchase and closing processes in Canada with those being used in the United States.
8. Neither the Corporation nor the Shares meet the eligibility criteria which otherwise would enable the Corporation to use the PREP Procedures set forth in National Policy 44 and the Quebec Procedures.

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

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides

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

IT IS HEREBY DECIDED by the Decision Makers, pursuant to the Legislation, that the Corporation is hereby exempted from the prospectus requirements of the Legislation with respect to the distribution of Shares under the Offering effected in compliance with the PREP Procedures and the Quebec Procedures insofar as such requirements concern:

1. the form and content of a preliminary prospectus or a prospectus, including the form of prospectus certificates, filed under the Legislation;
2. the filing of an amendment or supplement to a preliminary prospectus or prospectus filed under the Legislation;

provided that:

3. the Preliminary Prospectus is supplemented and amended pursuant to and in accordance with the requirements and procedures set forth in National Policy 44 and the Quebec Regulation, including the filing of amendments complying with the requirements of the Legislation;
4. a prospectus complying with National Policy 44 and the Quebec Regulation is filed under the Legislation pursuant to and in accordance with the requirements and procedures set forth in National Policy 44 and the Quebec Regulation, as if the Corporation was eligible to use the PREP Procedures and the Quebec Procedures; and
5. such prospectus is supplemented and amended pursuant to and in accordance with the requirements and procedures set forth in National Policy 44 and the Quebec Regulation, including the filing of amendments complying with the requirements of the Legislation.

September 8th, 2000.

"J. A. Geller"

"Stephen N. Adams"

2.1.4 Lifepoints® Portfolios : Balanced Income Portfolio, Balanced Growth Portfolio, Long-term Growth Portfolio et al. - MRRS Decision

Headnote

MRRS for Exemptive Relief Applications - Relief from self-dealing provisions and conflict of interest provisions to permit top funds to invest in underlying funds.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 101, 111(2), 111(3), 112, 117(1).

**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
THE LIFEPOINTS® PORTFOLIOS :
BALANCED INCOME PORTFOLIO
BALANCED GROWTH PORTFOLIO
LONG-TERM GROWTH PORTFOLIO**

AND

**RUSSELL CANADIAN EQUITY FUND
RUSSELL CANADIAN FIXED INCOME FUND
RUSSELL US EQUITY FUND
RUSSELL OVERSEAS EQUITY FUND**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Frank Russell Canada Limited ("FRC"), LifePoints® Portfolios - Long-Term Growth Portfolio, Balanced Growth Portfolio and Balanced Income Portfolio (the "Top Funds") and Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund and Russell Overseas Equity Fund (such funds, together with such other funds established by the Manager from time to time (other than Top Funds) being hereinafter referred to as the "Underlying Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") concerning the following restrictions and requirements contained in the Legislation (the "Requirements"):

1. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding an investment, directly or indirectly, in a person or company who is a substantial security holder of the mutual fund, its management company or distribution company;
2. the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial security holder; and
3. the requirements contained in the Legislation requiring a management company to file a report relating to a purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies.

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

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

1. FRC is a corporation established under the laws of Canada with its head office in Toronto, Ontario. FRC is the manager and promoter of, and will be the trustee of, each of the Top Funds and the Underlying Funds.
2. The Top Funds and the Underlying Funds are open-ended investment trusts established under the laws of the Province of Ontario. LifePoints® B Class units of the Top Funds and Class B units of the Underlying Funds (each hereinafter referred to as "Units") will be offered for sale by simplified prospectuses and annual information forms receipted in all of the jurisdictions of Canada (hereinafter called the "Top Prospectus" and "Underlying Prospectus" respectively). Each of the Top Funds and the Underlying Funds will be reporting issuers in each of the provinces and territories of the various securities authorities of Canada.
3. Following qualification for distribution, Units of the Top Funds will be offered for sale to investors by RBC Dominion Securities Inc., a registered investment dealer and subsidiary of the Royal Bank of Canada ("RBC"), as a principal distributor under the terms of a distribution agreement with FRC which is expected to become non-exclusive after May, 2001.
4. RBC is a publicly traded Schedule I Canadian chartered bank whose equity securities form part of major indices on The Toronto Stock Exchange.
5. Each of the Top Funds will invest all of its net assets (exclusive of cash and cash equivalents) in Units of the Underlying Funds.

6. The Top Prospectus will disclose the investment objectives, strategies and risks of each Top Fund and Underlying Fund, the fixed percentages of the net assets of the Top Fund invested in securities of the applicable Underlying Funds (the "Fixed Percentages") and the permitted ranges within which such Fixed Percentages may vary ("Permitted Ranges").
7. Except to the extent evidenced by this Decision and specific approvals granted by the Canadian securities administrators pursuant to National Instrument 81-102, the investments by the Top Funds in the Underlying Funds have been structured to comply with the investment restrictions of the Legislation and National Instrument 81-102.
8. The Underlying Funds invest in diversified portfolios of securities and instruments using the Multi Asset Multi Style Multi Manager™ investment technique. FRC selects portfolio advisers for the Underlying Funds using a combination of qualitative and quantitative measurements. Each portfolio adviser has complete discretion to purchase and sell securities for its segment of the portfolio of an Underlying Fund within the Underlying Fund's investment objective, policies and restrictions. The Underlying Funds currently hold securities of RBC.
9. In the absence of this Decision, pursuant to the Legislation, a Top Fund is prohibited from (a) knowingly making 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; (b) knowingly making an investment, directly or indirectly, in a person or company who is a substantial security holder of the mutual fund, its management company or distribution company; and (c) knowingly holding an investment referred to in subsections (a) or (b) hereof. As a result, in the absence of this Decision, the Top Fund would be required to divest itself of any investments referred to in subsections (a) and (b) herein.
10. In the absence of this Decision, the Legislation requires FRC to file a report on every purchase or sale of securities of the Underlying Funds by the Top Funds.
11. The investment in, or redemption of, Units of the Underlying Funds by a Top Fund represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Top Fund.

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

AND UPON each of the Decision Makers being 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 Requirements do not apply so as to prevent (i) the Top Funds from investing in, or redeeming the

Units of, the Underlying Funds; and (ii) the Underlying Funds from investing in securities of RBC; and such investments do not require further consent from or notice to security holders of the Top Funds or the Decision Makers.

PROVIDED THAT:

1. this 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 addressed by section 2.5 of NI 81-102;
2. the foregoing Decision shall only apply in respect of investments in, or transactions with, the Underlying Funds that are made by the Top Funds in compliance with the following conditions:
 - (a) the investment by a Top Fund in the Underlying Funds is compatible with the fundamental investment objective of the Top Fund;
 - (b) each of the Top Funds and the Underlying Funds are under common management and the Underlying Funds' Units are offered for sale in the jurisdiction of the Decision Maker pursuant to a prospectus which has been filed with and accepted by the Decision Maker;
 - (c) each Top Fund invests its assets (exclusive of cash and cash equivalents) in Units of certain Underlying Funds in accordance with the Fixed Percentages disclosed, subject to a permitted variation above or below such Fixed Percentages of not more than 2.5% to account for market fluctuations;
 - (d) the Top Prospectus will disclose the intent to invest in the Underlying Funds, the names of the Underlying Funds, the Fixed Percentages and the Permitted Ranges within which such Fixed Percentages may vary;
 - (e) the Fixed Percentages and Permitted Ranges which are disclosed in the Top Prospectus may be changed only if the prospectus is amended or a new prospectus is filed, and in either event, if the security holders of each Top Fund have been given at least 60 days' notice of the change;
 - (f) if at any time the assets of a Top Fund that are invested in the Underlying Funds deviate from the Permitted Ranges, the necessary changes are made in the Top Fund's investment portfolio as at the next valuation date of the Top Fund in order to bring the Top Fund's investment portfolio into conformity with the aforesaid amount;
 - (g) there are compatible dates for the calculation of the net asset value of the Top Funds and the Underlying Funds for the purpose of the issue and redemption of the Units;

- (h) in the event of the provision of any notice to security holders of an Underlying Fund as required by the constating documents of the Underlying Fund or by the laws applicable to the Underlying Fund, such notice will also be delivered to the security holders of the Top Funds; all voting rights attached to the Units of an Underlying Fund which are owned by a Top Fund will be passed through to the security holders of the Top Funds; in the event that a security holders' meeting is called for an Underlying Fund, all of the disclosure and notice material prepared in connection with such meeting will be provided to the security holders of the Top Funds and such security holders will be entitled to direct a representative of the Top Funds to vote the Top Funds' holdings in the Underlying Fund in accordance with their direction; and the representative of the Top Funds will not be permitted to vote the Top Funds' holdings in the Underlying Fund except to the extent the security holders of the Top Funds so direct;
- (i) no sales charges are payable by the Top Funds in relation to their purchases of Units of the Underlying Funds;
- (j) no redemption fees or other charges are charged by the Underlying Funds in respect of the redemption by the Top Funds of Units of the Underlying Funds owned by the Top Funds;
- (k) the arrangements between or in respect of the Top Funds and the Underlying Funds are such as to avoid the duplication of management fees;
- (l) no fees or charges of any sort are paid by a Top Fund, an Underlying Fund, FRC, a distributor of a Top Fund or Underlying Fund or by any affiliate or associate of any of the foregoing entities to anyone in respect of a Top Fund's investment in, or redemption of, Units of an Underlying Fund;
- (m) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Top Funds, security holders of a Top Fund will receive appropriate summary disclosure in the financial statements of the Top Fund in respect of the Top Fund's holdings of Units of Underlying Funds;
- (n) copies of the Underlying Prospectus and annual and semi-annual financial statements relating to the Underlying Funds may be obtained upon request by a security holder of the Top Funds and this fact will be disclosed in the Top Prospectus; and
3. this Decision, as it relates to the investment by an Underlying Fund in RBC, will apply only if no affiliate or associate of RBC acts as the portfolio adviser for such Underlying Fund with respect to such investment.

August 10th, 2000.

"J. A. Geller"

"R. Stephen Paddon"

**2.1.5 Mackenzie Financial Corporation et al. -
MRRS Decision**

Headnote

Investment by mutual funds in securities of another mutual fund that is under common management for specified purpose exempted from the requirements of clause 111(2)(b), subsection 111(3), clauses 117(1)(a) and 117(1)(d) and clause 118(2)(a), subject to certain specified conditions.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c.S.5, as am. ss. 111(2)(b), 111(3), 113, 117(1)(a), 117(1)(d), 117(2), 118(2)(a) and 121(2)(a)(ii).

**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
MACKENZIE FINANCIAL CORPORATION
("MACKENZIE")**

AND

**KEYSTONE PREMIER RSP GLOBAL ELITE 100 FUND
KEYSTONE PREMIER RSP EURO ELITE 100 FUND
(COLLECTIVELY, THE "PREMIER RSP FUNDS")
UNIVERSAL RSP U.S. BLUE CHIP FUND
UNIVERSAL RSP U.S. EMERGING GROWTH FUND
(TOGETHER THE "UNIVERSAL RSP FUNDS")
KEYSTONE PREMIER GLOBAL ELITE 100 FUND
KEYSTONE PREMIER EURO ELITE 100 FUND
(COLLECTIVELY, THE "PREMIER UNDERLYING
FUNDS")
UNIVERSAL U.S. BLUE CHIP FUND
UNIVERSAL U.S. EMERGING GROWTH FUND
(TOGETHER THE "UNIVERSAL UNDERLYING FUNDS")**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Mackenzie, as manager and promoter of the Premier RSP Funds and the Universal RSP Funds and other mutual funds managed by Mackenzie after the date of this Decision having an investment objective or strategy that is linked to the returns or portfolio of another specified Mackenzie mutual fund

(collectively referred to as 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 Legislation") shall not apply to the RSP Funds or Mackenzie, as the case may be, in respect of certain investments to be made by the RSP Funds in the Premier Underlying Funds, Universal Underlying Funds or other applicable corresponding Mackenzie mutual funds from time to time (collectively referred to as the "Underlying Funds"):

1. the restrictions contained in the Legislation 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 securityholder shall not apply in respect of certain investments to be made by the RSP Funds in their corresponding Underlying Funds;
2. the requirements contained in the Legislation requiring the management company to file a report relating to a purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies, shall not apply in respect of certain investments to be made by the RSP Funds in their corresponding Underlying Funds; and
3. the requirements contained in the Legislation prohibiting the portfolio manager (or in the case of the *Securities Act* (British Columbia), the mutual fund or responsible person) from knowingly causing an investment portfolio managed by it (the mutual fund) to invest in the securities of an issuer in which a responsible person is an officer or director unless the specific fact is disclosed to the client, if applicable, and the written consent of the client to the investment is obtained before the purchase shall not apply in respect of certain investments to be made by the RSP Funds in their corresponding Underlying Funds;

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

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

1. Each of the RSP Funds and Underlying Funds are or will be an open-ended mutual fund trust established under the laws of the Province of Ontario. Mackenzie is a corporation established under the laws of the Province of Ontario and for the each of the RSP Funds and the Underlying Funds will be the manager and promoter. Mackenzie is and will be the trustee, manager and promoter of each of the Universal RSP Funds and each of the Universal Underlying Funds, will be the registrar and transfer agent for all of the Underlying Funds and the RSP Funds. M.R.S. Trust Company will be the trustee for each of the Premier RSP Funds and the Premier Underlying Funds. The head office of Mackenzie is in Toronto, Ontario.

2. Each of the RSP Funds and Underlying Funds is or will be reporting issuers. The securities of each of the RSP Funds and Underlying Funds will be qualified under simplified prospectuses and annual information forms (collectively, the "Prospectus").
3. Each of the RSP Funds seeks or will seek to achieve its investment objective while ensuring that securities of the RSP Fund do not constitute "foreign property" for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and similar plans ("Registered Plans").
4. To achieve its investment objective, each of the RSP Funds will 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 Plans and will not constitute foreign property in a Registered Plan. This will be achieved primarily through the implementation of a derivative strategy. However, the RSP Funds also intend to invest a portion of their assets in securities of the Underlying Funds. This investment by the RSP Funds will at all times be below the maximum foreign property limit prescribed for Registered Plans (the "Permitted Limit").
5. The investment objectives of the Underlying Funds are or will be achieved through investment primarily in foreign securities.
6. The direct investments by the RSP Funds in the Underlying Funds will be within the Permitted Limit (the "Permitted RSP Fund Investment"). The Manager and the RSP Funds will comply with the conditions of this Decision in respect of such investments. 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 transitional cash, the aggregate of derivative exposure to, and direct investment in, the Underlying Fund will equal 100% of the assets of the RSP Fund.
7. Except to the extent evidenced by this Decision and specific approvals granted by the Canadian securities administrators pursuant to National Instrument 81-102, the investments by the RSP Funds in the Underlying Funds have been or will be structured to comply with the investment restrictions of the Legislation and National Instrument 81-102.
8. In the absence of this Decision, pursuant to the Legislation, each of the RSP Funds is or would be prohibited from (a) knowingly making 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 securityholder; and (b) knowingly holding an investment referred to in subsection (a) hereof. As a result, in the absence of this Decision a RSP Fund would be required to divest itself of any investments referred to in subsection (a) hereof.
9. In the absence of this Decision, the Legislation requires the Manager to file a report on every purchase or sale

of securities of the Underlying Funds by the RSP Funds.

10. By virtue of Mackenzie being the manager and promoter of the RSP Funds and the Underlying Funds and, therefore, an "associate" of each such mutual fund and because M.R.S. Trust Company, a subsidiary of Mackenzie is the trustee of the RSP Funds and the Underlying Funds and certain of the directors and officers of Mackenzie are also officers of the RSP Funds and the Underlying Funds and as such, a "responsible person" pursuant to the Legislation, in the absence of this Decision, Mackenzie would be prohibited from causing the RSP Funds to invest in the Underlying Funds unless the specific fact is disclosed to investors and, if applicable, the written consent of investors is obtained before the purchase.

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

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

The Decision of the Decision Makers pursuant to the Legislation is that the Applicable Legislation shall not apply so as to prevent the RSP Funds from investing in, or redeeming the securities of, the Underlying Funds and such investment does not require further consent from or notice to securityholders of the RSP Funds or the Decision Makers.

PROVIDED IN EACH CASE THAT:

1. this 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 subsection 2.5(1) of National Instrument 81-102; and
2. the foregoing Decision shall only apply in respect of 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 Underlying Funds are under common management and the Underlying Funds' securities are offered for sale in the jurisdiction of the Decision Maker pursuant to a prospectus which has been filed with and accepted by the Decision Maker;
 - b) each RSP Fund restricts its aggregate direct investment in its corresponding Underlying Fund to a percentage of its assets that is within the Permitted Limit;
 - c) the investment by the RSP Funds in the Underlying Funds is compatible with the fundamental investment objective of the RSP Funds;

• **Decisions, Orders and Rulings**

- d) the Prospectus will describe the intent of the RSP Funds to invest in a specified Underlying Fund;
- e) the RSP Funds may change the Permitted RSP Fund Investments 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 its purchases of securities of the Underlying Funds;
- g) there are compatible dates for the calculation of the net asset value of the RSP Funds and the Underlying Funds for the purpose of the issue and redemption of the securities 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 securities 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 a RSP Fund or by an Underlying Fund or by the manager or principal distributor of a RSP Fund or an Underlying Fund or by any affiliate or associate of any of the foregoing entities to anyone in respect of a RSP Fund's purchase, holding or redemption of the securities of the Underlying Fund;
- k) in the event of the provision of any notice to securityholders of the Underlying Funds, as required by the constating documents of the Underlying Funds or by the laws applicable to the Underlying Funds, such notice will also be delivered to the securityholders of the RSP Funds; all voting rights attached to the securities of the Underlying Funds that are owned by the RSP Funds will be passed through to the securityholders of the RSP Funds; in the event that a securityholders' meeting is called for an Underlying Fund, all of the disclosure and notice material prepared in connection with such meeting will be provided to the securityholders of the corresponding RSP Fund and such securityholders will be entitled to direct a representative of the RSP Fund to vote that RSP Fund's holding in the Underlying Fund in accordance with their direction; and the representative of the RSP Fund will not be permitted to vote the RSP Fund's holdings in the Underlying Fund except to the extent the securityholders of the RSP Fund so direct;
- l) in addition to receiving the annual and, upon request, the semi-annual financial statements, of the RSP Funds, securityholders of the RSP

Funds will receive the annual and, upon request, the semi-annual financial statements, of the Underlying Funds in either a combined report, containing both the RSP Funds' and Underlying Funds' financial statements, or in a separate report containing the Underlying Funds' financial statements; and

- m) to the extent that the RSP Funds and the Underlying Funds do not use a combined simplified prospectus and 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 annual and semi-annual financial statements relating to the Underlying Funds may be obtained upon request by a securityholder of the RSP Funds.

September 5th, 2000.

"Howard I. Wetston"

"Theresa McLeod"

2.1.6 Manufacturers Life Insurance Company and Manulife Financial Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - POP System and Shelf Prospectus Offerings - exemption granted to allow issuers to file an unallocated base shelf prospectus and to follow the requirements of proposed National Instrument 44-101 and proposed National Instrument 44-102.

Relevant Ontario Statutes

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

Relevant Ontario Regulations

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am.,

Relevant Ontario Rules

Rule entitled *In the Matter of the Prompt Offering Qualification System* (1999) 22 O.S.C.B. 6298

Rule entitled *In the Matter of Rules for Shelf Prospectus Offerings and Pricing Offerings after the Prospectus is Received* (1999) 22 O.S.C.B. 6297.

Policies Cited

National Policy 47 - Prompt Offering Qualification System.
National Policy 44 - Rules for Shelf Prospectus Offerings and for Pricing Offerings after the Final Prospectus is Received.

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

AND

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

AND

**IN THE MATTER OF
THE MANUFACTURERS LIFE INSURANCE COMPANY
AND MANULIFE FINANCIAL CORPORATION**

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Newfoundland, New Brunswick, Prince Edward Island, Northwest Territories, Yukon Territory and Nunavut (the

"Jurisdictions") has received an application (the "Application") from The Manufacturers Life Insurance Company ("MLI") and Manulife Financial Corporation ("MFC") for a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting MLI and MFC from the requirement to file and obtain a receipt for a preliminary prospectus and prospectus (collectively the "Prospectus Requirements") in order to permit the use by MLI and MFC of the form and other requirements set out in Proposed National Instrument 44-101 - *Short Form Prospectus Distributions* and Proposed National Instrument 44-102 - *Shelf Distributions* (collectively referred to herein as the "POP and Shelf Procedures") in connection with the offering by MLI and MFC of certain securities under a shelf prospectus.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the Principal Regulator for this Application.

AND WHEREAS MLI and MFC have represented to the Decision Makers that:

1. MLI was incorporated on June 23, 1887, by a Special Act of Parliament of the Dominion of Canada. Pursuant to the provisions of the then *Canadian and British Insurance Companies Act* (Canada), the predecessor legislation to the *Insurance Companies Act* (Canada) ("ICA"), MLI undertook a plan of mutualization and became a mutual life insurance company December 19, 1968. On September 23, 1999 MLI demutualized (the "Demutualization") pursuant to letters patent of conversion issued by the Minister of Finance.
2. MLI's head office is located in Ontario. MLI is regulated by the Superintendent of Financial Institutions (Canada) and it is licenced under the insurance legislation of each province and territory of Canada. The authorized capital of MLI consists of an unlimited number of Class A, B, C and D preferred shares, each such class being issuable in series, and an unlimited number of common shares. Pursuant to the Demutualization MFC became the holder of all of the issued and outstanding common shares of MLI. Currently MLI has no other shares outstanding.
3. MLI is a reporting issuer (or equivalent) in each of the provinces and territories of Canada and to the best of its knowledge, information and belief, is not currently in default of its reporting requirements under the Legislation.
4. MFC was incorporated under the ICA on April 26, 1999. On September 23, 1999, in connection with the Demutualization, MFC became the sole shareholder of MLI and certain holders of participating life insurance policies of MLI became shareholders of MFC. The authorized share capital of MFC consists of Class A Shares, issuable in series, Class B Shares, issuable in series, and Common Shares of which approximately 482,005,387 Common Shares were issued and outstanding as of June 30, 2000.
5. MFC is a reporting issuer in each of the provinces and territories of Canada and is eligible to use the prompt

offering qualification system under the Legislation (the "POP System"). To the best of its knowledge, information and belief, MFC is currently not in default of its reporting requirements under the Legislation. MFC is a publicly traded company on The Toronto Stock Exchange, The New York Stock Exchange, The Stock Exchange of Hong Kong Limited and the Philippine Stock Exchange.

Securities, a pricing supplement (each a "Pricing Supplement") will also be prepared and filed under the Legislation in accordance with the POP and Shelf Procedures.

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

AND WHEREAS 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 MLI and MFC are exempted from the Prospectus Requirements of the Legislation with respect to distributions by MLI or MFC of the Securities provided that:

- (i) the Preliminary Prospectus shall be in compliance with and shall be supplemented and amended in accordance with the requirements set out in the POP and Shelf Procedures;
- (ii) a prospectus in respect of the Securities which complies with the POP and Shelf Procedures is filed in the Jurisdictions and a receipt or decision document, as the case may be, therefore is issued by the Jurisdictions and such prospectus is supplemented and amended in accordance with the requirements set out in the POP and Shelf Procedures; and
- (iii) this decision shall continue to be operative until and shall expire upon the date which is 24 months after the date of the receipt or decision document, as the case may be, for the prospectus referred to under paragraph (ii) above despite the entry into force in any Jurisdiction of the POP and Shelf Procedures in the form currently proposed or in an amended form.

September 1st, 2000.

"Howard I. Wetston"

"Theresa McLeod"

6. Pursuant to the decision document issued by British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Newfoundland and Quebec on May 19, 2000, (the "MLI Relief") MLI is not required to file an Annual Information Form ("AIF") in order to be eligible to use the POP System provided MFC has filed a current AIF and provided MFC has no assets or liabilities (other than its direct or indirect beneficial holding of all of the outstanding voting securities of MLI) of more than nominal value having regard to the total consolidated assets of MFC. The MLI Relief also granted relief to MLI from certain continuous disclosure requirements under the Legislation provided, among other things, that MFC files continuous disclosure documents under the Legislation. MFC and MLI have requested relief from New Brunswick, Prince Edward Island, Northwest Territories, Yukon Territory and Nunavut permitting MLI to use the POP System on the same basis as is set out in the MLI Relief.
7. MFC has no material assets or material liabilities other than the shares that it holds in MLI. MFC conducts its operations through MLI and MLI's branches and subsidiaries.
8. On or about August 18, 2000 MLI and MFC filed in the Jurisdictions a preliminary short form shelf prospectus (the "Preliminary Prospectus") pertaining to more than one type of security, being debt and preferred share securities (collectively, the "Securities"), to be issued by either MLI or MFC from time to time as determined on the basis of applicable tax, regulatory and market considerations prevailing at the time of issue. The Preliminary Prospectus complies with the form and content requirements set out in the POP and Shelf Procedures.
9. The decision to prepare the Preliminary Prospectus, rather than separate shelf prospectuses for each of MLI and MFC, is consistent with the approach set out in the MLI Relief which allows both companies rely upon the same continuous disclosure documents.
10. A final prospectus and any shelf prospectus supplement (each, a "Supplement") prepared in connection therewith filed under the Legislation will each comply with the form and content requirements set out in the POP and Shelf Procedures.
11. Each Supplement will, in accordance with the POP and Shelf Procedures, set out details regarding the type of security being offered (to the extent not contained in the Prospectus) and the use of proceeds sought in connection with any such offering. In the event that the security is to be offered pursuant to a medium term note program or other continuous distribution of

2.1.7 National Bank Securities Inc. - MRRS Decision

**IN THE MATTER OF
THE CANADIAN SECURITIES LEGISLATION
OF QUÉBEC, ONTARIO AND NEW BRUNSWICK**

AND

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

AND

**IN THE MATTER OF
NATIONAL BANK SECURITIES INC**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in Québec, Ontario and New Brunswick (the "Jurisdictions") have received an application from National Bank Securities Inc ("NBSI"), which act as the manager and principal distributor of the National Bank Funds (the "Funds") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") in order that the distribution of units of the Funds pursuant to the current prospectus offering of the Funds, be extended to the time periods that would be applicable if the lapse date for distribution of these units pursuant to that current prospectus was September 30, 2000;

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

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

1. NBSI is the manager and principal distributor of the Funds;
2. Each of the Funds is an unincorporated open-end mutual fund trust created under the laws of Ontario by a separate declaration of trust;
3. Each Fund is a reporting issuer as defined in the Legislation and is not in default of any of the requirements of the Jurisdiction;
4. A receipt dated August 3 and August 4, 1999, was issued by the Jurisdiction for the (final) simplified prospectus (the "Prospectus") and an annual information form, dated July 23, 1999;
5. the lapse date for the distribution of units of the Funds pursuant to the Prospectus is August 3, 2000 in Québec and in New Brunswick and August 4, 2000 in Ontario;

6. The Funds filed pro forma simplified prospectus and pro forma annual information form with the Jurisdictions on June 21, 2000 and June 22, 2000; and

7. A decision has been rendered on August 2, 2000, in order to extend the term period that would be applicable if the lapse date for distribution of these units pursuant to the Prospectus was August 31, 2000.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the distribution of units of the Funds, pursuant to the Prospectus of the Funds, be extended to the time periods that would be applicable if the lapse date for distribution of these units pursuant to the Prospectus was September 30, 2000.

September 6th, 2000.

(s) Jean-François Bernier

**2.1.8 Northern Securities Inc. and eNorthern -
MRRS Decision**

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from the Suitability Requirements, as reflected in paragraph 1.5(1)(b) of OSC Rule 31-505, pursuant to section 4.1 of OSC Rule 31-505, subject to the terms and conditions set out in the Decision Document.

Decision pursuant to s.21.1(4) of the Act, that the IDA Suitability Requirements do not apply to the Filer, subject to the terms and conditions set out in the Decision Document.

Applicable Ontario Statute

Securities Act R.S.O. 1990, c.S.5, as amended, s.21.1(4).

Rules Cited

Ontario Securities Commission Rule 31-505 "Conditions of Registration" (1999) 22 O.S.C.B. 731.

IDA Regulations Cited

IDA Regulation 1300.1(b), 1800.5(b), 1900.4.

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

AND

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

AND

**IN THE MATTER OF
NORTHERN SECURITIES 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, Newfoundland, Nova Scotia and Ontario (collectively, the "Jurisdictions") has received an application from Northern Securities Inc. (the "Filer") regarding the operation of the separate division, eNorthern (the "Division") for:

1. a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements of the Legislation requiring the Division and its registered salespersons, partners, officers and directors ("Registered Representatives") to make inquiries of each client of the Division as are appropriate, in view of the nature of the client's investments and of the type of transaction being effected for the client's account, to determine (a) the general investment needs and objectives of the client and (b) the suitability of a

proposed purchase or sale of a security for the client (such requirements, the "Suitability Requirements") do not apply to the Division and its Registered Representatives; and

2. a decision under the Legislation, other than the securities legislation of Newfoundland and Nova Scotia, that the requirements of the Investment Dealers Association of Canada (the "IDA"), in particular IDA Regulation 1300.1(b), 1800.5(b) and 1900.4, requiring the Division and its Registered Representatives to make inquiries of each client of the Division as are appropriate, in view of the nature of the client's investments and of the type of transaction being effected for the client's account, to determine (a) the general investment needs and objectives of the client and (b) the suitability of a proposed purchase or sale of a security for the client (such requirements, the "IDA Suitability Requirements") do not apply to the Division and its Registered Representatives;

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 and the Division have represented to the Decision Makers that:

1. the Filer is a corporation incorporated under the *Business Corporations Act* (Ontario);
2. the Division is a division of the Filer which operates independently and carries on business at a location separate from the remaining operations of the Filer;
3. the head office of the Filer is located in Ontario and the Division also maintains offices and has executive officers and Registered Representatives in Ontario and has Registered Representatives who are resident in each Jurisdiction;
4. the Filer is registered under the Legislation as an investment dealer and is a member of the IDA;
5. eNorthern is a trade name of the Filer registered with each of the Jurisdictions;
6. the Division operates independently and operates using its own letterhead, accounts, Registered Representatives and account documentation;
7. the Division and its Registered Representatives do not and will not, except as provided in 13 below, provide advice or recommendations regarding the purchase or sale of any security and the Filer and the Division have adopted policies and procedures to ensure the Division and the Division's Registered Representatives do not and will not, with such exception, provide advice or recommendations regarding the purchase or sale of any security;
8. when the Division provides trade execution services to clients it would, in the absence of this Decision, be required to comply with the Suitability Requirements and IDA Suitability Requirements;

9. clients who request the Division or its Registered Representatives to provide advice or recommendations or advice as to suitability will be referred to the full-service division of the Filer or another full-service dealer;
 10. the Division does not and will not compensate its Registered Representatives on the basis of transactional values;
 11. each client of the Division will be advised of the Decision of the Decision Makers and requested to acknowledge that:
 - (a) no advice or recommendation will be provided by the Division or its Registered Representatives regarding the purchase or sale of any security, and
 - (b) the Division and its Registered Representatives will no longer determine the general investment needs and objectives of the client or the suitability of a proposed purchase or sale of a security for the client; (both (a) and (b) shall constitute the "Client Acknowledgement")
 12. each client of the Division will be advised that he or she has the option of transferring his or her account or accounts to the full-service division of the Filer or another dealer at no cost to the client if the client does not wish to provide a Client Acknowledgement (the "Account Transfer Option");
 13. the Division and its Registered Representatives will continue to comply with the Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received for six months following the date of this Decision;
 14. after the date six months following the date of this Decision, the Division will not permit a transaction in an account for which a Client Acknowledgement has not been received unless the transaction is a sale for cash or a transfer of assets to another account;
 15. all prospective clients of the Division will be advised and required to acknowledge that:
 - (a) no advice or recommendations will be provided by the Division or its Registered Representatives regarding the purchase or sale of any security, and
 - (b) the Division and its Registered Representatives will not determine the general investment needs and objectives of the client or the suitability of a proposed purchase or sale of a security for the client, (both (a) and (b) shall constitute the "Prospective Client Acknowledgement")

prior to the Division opening an account for such prospective client;
 16. the Filer and the Division have adopted policies and procedures to ensure:
 - (a) that evidence of all Client Acknowledgements, Prospective Client Acknowledgements and Account Transfer Options is established and retained pursuant to the record keeping requirements of the Legislation and the IDA,
 - (b) all client accounts of the Division are appropriately designated as being a client account to which a Client Acknowledgement or Prospective Client Acknowledgement has been received or being a client account to which a Client Acknowledgement has not been received, and
 - (c) for any client of the Division who does not provide a Client Acknowledgement and chooses to exercise the client's Account Transfer Option, the Division will transfer the client's account in an expeditious manner and at no cost to the client; and
 17. the Filer has adopted policies and procedures to ensure that:
 - (a) the Division operates separately from the full-service division of the Filer,
 - (b) Registered Representatives of the Division are clearly employed by the Division and do not handle the business or clients of the full-service division of the Filer, and
 - (c) a list of Registered Representatives of the Division is maintained at all times;
- AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
- AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
- THE DECISION** of the Decision Makers under the Legislation is that the Suitability Requirements contained in the Legislation shall not apply to the Division and its Registered Representatives so long as:
1. except as permitted by 6 below, the Division and its Registered Representatives do not provide any advice or recommendations regarding the purchase or sale of any security;
 2. clients who request the Division or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to the full-service division of the Filer or a full-service dealer;
 3. the Division operates independently and operates using its own letterhead, accounts, Registered Representatives and account documentation;
 4. the Division does not compensate its Registered Representatives on the basis of transactional values;

5. each client of the Division is advised of the Decision of the Decision Makers and requested to make a Client Acknowledgement or transfer his or her account to the full-service division of the Filer or another dealer if the client does not wish to make a Client Acknowledgement;
6. the Division and its Registered Representatives continue to comply, for six months following the date of this Decision, with their Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received;
7. commencing six months following the date of this Decision, the Division will not permit transactions in an account for which a Client Acknowledgement has not been received unless the transaction is a sale for cash or a transfer of assets to another account;
8. each prospective client of the Division is advised of the Decision of the Decision Makers and required to make a Prospective Client Acknowledgement prior to the Division or its Registered Representation servicing such prospective client;
9. evidence of all Client Acknowledgements, Prospective Client Acknowledgements and Account Transfer Options is established and retained pursuant to the record keeping requirements of the Legislation and the IDA;
10. for any client who elects to exercise the client's Account Transfer Option, the Division transfers such account or accounts to the full-service division of the Filer or another dealer in an expeditious manner and at no cost to the client;
11. the Division accurately identifies and distinguishes client accounts for which a Client Acknowledgement or Prospective Client Acknowledgement has been provided and client accounts for which no Client Acknowledgement has been provided;
12. the Filer has in force policies and procedures to ensure that:
 - (a) the Division continues to operate separately from the full-service division of the Filer,
 - (b) Registered Representatives of the Division are clearly employed by the Division and do not handle the business or clients of the full-service division of the Filer, and
 - (c) a list of Registered Representatives of the Division is maintained at all times; and

13. if an IDA rule addressing the IDA Suitability Requirements comes into effect, the Decision with respect to the Suitability Requirements will terminate one year following the date such rule comes into force, unless the Decision Maker determines otherwise.

September 7th, 2000.

"William R. Gazzard"

THE DECISION of the Decisions Makers, other than Newfoundland and Nova Scotia, is that the IDA Suitability Requirements do not apply to the Division and its Registered Representatives so long as:

1. except as permitted by 6 below, the Division and its Registered Representatives do not provide any advice or recommendations regarding the purchase or sale of any security;
2. clients who request the Division or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to the full-service division of the Filer or a full-service dealer;
3. the Division operates independently and operates using its own letterhead, accounts, Registered Representatives and account documentation;
4. the Division does not compensate its Registered Representatives on the basis of transactional values;
5. each client of the Division is advised of the Decision of the Decision Makers and requested to make a Client Acknowledgement or transfer his or her account to the full-service division of the Filer or another dealer if the client does not wish to make a Client Acknowledgement;
6. the Division and its Registered Representatives continue to comply, for six months following the date of this Decision, with their Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received;
7. commencing six months following the date of this Decision, the Division will not permit transactions in an account for which a Client Acknowledgement has not been received unless the transaction is a sale for cash or a transfer of assets to another account;
8. each prospective client of the Division is advised of the Decision of the Decision Makers and required to make a Prospective Client Acknowledgement prior to the Division or its Registered Representation servicing such prospective client;
9. evidence of all Client Acknowledgements, Prospective Client Acknowledgements and Account Transfer Options is established and retained pursuant to the record keeping requirements of the Legislation and the IDA;

10. for any client who elects to exercise the client's Account Transfer Option, the Division transfers such account or accounts to the full-service division of the Filer or another dealer in an expeditious manner and at no cost to the client;
11. the Division accurately identifies and distinguishes client accounts for which a Client Acknowledgement or Prospective Client Acknowledgement has been provided and client accounts for which no Client Acknowledgement has been provided;
12. the Filer has in force policies and procedures to ensure that:
 - (a) the Division continues to operate separately from the full-service division of the Filer,
 - (b) Registered Representatives of the Division are clearly employed by the Division and do not handle the business or clients of the full-service division of the Filer, and
 - (c) a list of Registered Representatives of the Division is maintained at all times; and
13. if an IDA rule addressing the IDA Suitability Requirements comes into effect, the Decision with respect to the IDA Suitability Requirements will terminate one year following the date such rule comes into force, unless the Decision Maker determines otherwise.

September 7th, 2000.

"Howard I. Wetston"

"J. A. Geller"

2.1.9 Pangea Goldfields Inc. - MRRS Decision

Headnote

Section 80(b)(iii) - MRRS relief granted to provide 30 day extension of deadline to file interim financial statements due one day after expiry of 20 day notice period for compulsory acquisitions under the Ontario Business Corporations Act.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss.80(b)(iii).

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

AND

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

AND

**IN THE MATTER OF
PANGEA GOLDFIELDS INC.**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Ontario, Quebec and Manitoba (collectively, the "Jurisdictions") has received an application of Pangea Goldfields Inc. (the "Corporation") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") extending the time provided by the Legislation for the filing and mailing of the Corporation's interim financial statements for its second quarter ended June 30, 2000 from August 29, 2000 to September 28, 2000.

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

AND UPON the Corporation having represented to the Decision Makers as follows:

1. The Corporation was incorporated on June 3, 1985 under the provisions of the *Business Corporations Act* (Ontario) (the "OBCA").
2. The head office of the Corporation is in the city of Toronto in the Province of Ontario.
3. The Corporation is a reporting issuer, or the equivalent thereof, under the Legislation.
4. No securities of the Corporation are listed or posted for trading on any stock exchange.
5. On July 6, 2000, PGI Acquisition Inc. (the "Offeror"), a wholly-owned subsidiary of Barrick Gold Corporation,

- made an offer (the "Offer") to acquire all the issued and outstanding common shares ("Common Shares") of the Corporation and on July 28, 2000 acquired in excess of 93% of such Common Shares.
6. The Offeror intends to acquire, pursuant to the provisions of section 188 of the OBCA, all outstanding Common Shares which were not acquired by the Offeror under the Offer (the "Compulsory Acquisition"). The Offeror's notice of compulsory acquisition was mailed on August 1, 2000 to all "dissenting offerees" (as that term is defined in clause 187(2)(a) of the OBCA) and, pursuant to section 188(2) of the OBCA, provided each dissenting offeree with the option of:
- (a) transferring such holder's Common Shares to the Offeror for a purchase price of \$7.00 cash per Common Share; or
 - (b) demanding payment of the fair value of such holder's Common Shares as determined by the Ontario Superior Court of Justice (the "Court"), in accordance with section 188 of the OBCA by so notifying the Offeror within 20 days after receipt (or deemed receipt) of such notice of compulsory acquisition.
7. Pursuant to sections 188 and 262 of the OBCA:
- (a) the Offeror has paid to the Corporation the sum of \$7.00 for each Common Share held by the dissenting offerees to be held in trust by the Corporation for such holders;
 - (b) the dissenting offerees will be deemed to have received the Offeror's notice of compulsory acquisition on August 8, 2000;
 - (c) any dissenting offeree wishing to demand the payment of the fair value of such holder's Common Shares must so notify the Offeror on or before August 28, 2000 (being twenty days after deemed receipt of the Offeror's notice of compulsory acquisition); and
 - (d) the Offeror will be deemed to have acquired all Common Shares held by the dissenting offerees on August 31, 2000 (being the thirtieth day after mailing of the Offeror's notice of compulsory acquisition) unless a dissenting offeree who has demanded the payment of the fair value of such holders' Common Shares has applied to the Court on or before August 28, 2000 for an order requiring the Offeror to provide security for its obligation to pay such fair value, in which case such Common Shares will be deemed to have been acquired by the Offeror upon compliance with any order so issued.
8. It is expected that the Offeror will become the sole shareholder of the Corporation on August 31, 2000 pursuant to the Compulsory Acquisition.
9. Absent the issuance of this decision, the Corporation would be required to file and send to shareholders

interim financial statements for its second quarter ended June 30, 2000 on or before August 29, 2000.

10. Assuming completion of the Compulsory Acquisition, the issuance of this decision will allow the Corporation to apply for orders deeming it to have ceased to be a reporting issuer in each of the Jurisdictions on or before the extended date on which it would be required to file and send to shareholders such interim financial statements.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker;

AND WHEREAS the Decision Makers are 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 and mail the Corporation's interim financial statements for its second quarter ended June 30, 2000 by August 29, 2000 shall be extended to September 28, 2000.

August 30th, 2000.

"Howard I. Wetston"

"R. Stephen Paddon"

**2.1.10 Prime Credit Money Market Fund et al. -
MRRS Decision**

Headnote

MRRS for Exemptive Relief Applications - Extension of lapse date to permit the renewal prospectus of certain mutual funds to reflect current information on the funds, including the results of unitholder meetings.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss 62(1), 62(2) and 62(5).

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

AND

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

AND

IN THE MATTER OF
PRIME CREDIT MONEY MARKET FUND
CANADIAN FIXED INCOME FUND
CANADIAN EQUITY FUND
U.S. LARGE COMPANY EQUITY FUND
U.S. SMALL COMPANY EQUITY FUND
EAFE EQUITY FUND
EMERGING MARKETS EQUITY FUND
GLOBAL BOND FUND
ENHANCED GLOBAL BOND FUND
S&P 500 SYNTHETIC INDEX FUND
INTERNATIONAL SYNTHETIC INDEX FUND
(the "Funds")

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, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, Northwest Territories and Yukon Territory (the "Jurisdictions") has received an application from SEI Investments Canada Company (the "Manager") and the Funds for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the time limits prescribed by the Legislation for filing the *pro forma* prospectus and final simplified prospectus for the Funds (the "Renewal Prospectus"), and the receipting thereof, be extended to the time periods that would be applicable if the lapse date for the distribution of the units of each series of each Fund was October 31, 2000;

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

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

1. The Manager is a corporation incorporated under the laws of Canada with its head office located in the Province of Ontario. The Manager is the manager and promoter of each Fund.
2. Each Fund is an unincorporated open-end mutual fund trust created under the laws of the Province of Ontario by a trust agreement.
3. Each Fund is a reporting issuer in the Jurisdictions and is not in default of any requirements of the Legislation or the rules or regulations made thereunder.
4. Units of the three series of each Fund are qualified for distribution on a continuous basis in each Jurisdiction pursuant to a simplified prospectus and annual information form dated August 27, 1999, as amended and restated by an amended and restated simplified prospectus and annual information form dated March 20, 2000 (collectively, the "Prospectus").
5. The current lapse dates for the Prospectus of the Funds in the Jurisdictions range from August 27, 2000 to September 13, 2000 (the "Lapse Date").
6. Certain of the Funds will shortly announce unitholder meetings (the "Meetings") which currently are expected to be held on or about August 31, 2000 and in any event no later than September 15, 2000 (the "Meeting Date"). At the Meetings, it is expected that unitholders of those certain Funds will be asked to consider approving certain changes to the Funds, including changes to the fundamental investment objectives of the Funds.
7. An amendment to the simplified prospectus and annual information form (the "Amendment") of the relevant Funds will be filed at the same time that the notice of the Meetings is sent to unitholders. The Amendment will describe the matters to be considered at the Meetings.
8. The Prospectus has been amended and restated recently to update the information contained therein, will be further updated by the Amendment, and is required by the Legislation to contain full, true and plain disclosure of all material facts concerning the securities offered. The Prospectus also must be amended upon the occurrence of any further significant change.
9. An extension of the Lapse Date for the Prospectus of the Funds will enable the Manager to submit a Renewal Prospectus which reflects current information on the Funds, including the results of the Meetings. If the Lapse Date was not extended, the Manager would be required to file a Renewal Prospectus prior to the Meetings, which might require significant changes after

the Decision Makers had already reviewed and commented on the Renewal Prospectus.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the time limits prescribed by the Legislation for filing the Renewal Prospectus for the Funds, and the receipting thereof, be extended to the time periods that would be applicable if the Lapse Date for the distribution of the units of each series of each Fund was October 31, 2000.

August 8th, 2000.

"Rebecca Cowdery"

2.1.11 Rhodia S.A. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from the registration and prospectus requirements with respect to trades in shares by an issuer to employees of an issuer and its affiliates, the subsequent transfer of the shares to a French investment fund as part of an employee stock ownership program and the distribution of units of the fund to employees and former employees of the issuer and its affiliates, subject to certain conditions - also relief from the registration requirement granted to advisor of the fund.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

OSC Rule 45-503 - Trades to Employee, Executives and Consultants.

OSC Rule 72-501 - Prospectus Exemption for First Trade Over a Market Outside Ontario.

Instruments Cited

National Instrument 81-102 - Mutual Funds.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND NEWFOUNDLAND**

AND

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

AND

**IN THE MATTER OF
RHODIA S.A.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario and Newfoundland (the "Jurisdictions") has received an application from Rhodia S.A. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

- A. the requirements contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Registration and Prospectus Requirements") shall not apply to certain trades in ordinary shares of the Filer (the "Shares") and in units (the "Units") of the Rhodia International Fund (the "Fund") made in connection with the Filer's global employee offering (the "Employee Share Offering") to, or on behalf of, Qualifying

Employees (defined in paragraph 7 below) who are residents in the Jurisdictions (the "Canadian Participants"), subject to certain conditions; and

- B. the manager of the Fund, Interépargne (the "Manager"), be exempt from the requirement contained in the Legislation to be registered as an advisor (the "Advisor Registration Requirement").

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 as follows:

1. The Filer is a corporation formed under the laws of the French Republic. The ordinary shares of the Filer are listed on the Paris Bourse and on the New York Stock Exchange (in the form of American Depositary Shares).
2. Each of the Canadian affiliates of the Filer, Rhodia Canada Inc., Rhodia Engineering Plastics Inc., Albright & Wilson Americas Ltd. and Albright & Wilson Ltd. (the "Canadian Affiliates" and, together with the Filer and other affiliates of the Filer, the "Rhodia Group"), is a direct or indirect controlled subsidiary of the Filer.
3. There are approximately 334 Canadian Participants, of which approximately 214 are resident in Ontario, 119 are resident in Quebec, and one is resident in Newfoundland. The number of Canadian Participants represent in the aggregate less than 1% of the Qualifying Employees worldwide.
4. The Fund will be a French investment fund (fonds commun de placement d'entreprise or "FCPE") established pursuant to the laws of the French Republic and headquartered in France for the purpose of implementing the Employee Share Offering.
5. The Manager is an asset management company governed by the laws of the French Republic. The Manager is registered with the French Commission des Opérations de Bourse (the "COB") to manage FCPEs and complies with the rules of the COB.
6. The Filer, the Canadian Affiliates, the Fund and the Manager are not reporting issuers under the Legislation and none has a present intention of becoming a reporting issuer under the Legislation.
7. The Fund will be established by the Manager solely to facilitate the participation of current employees of the Rhodia Group (collectively, the "Qualifying Employees") in the Employee Share Offering and to simplify custodial arrangements for such participation.
8. The Filer proposes to issue up to 5,000,000 Shares solely for purchase by Qualifying Employees. Qualifying Employees will subscribe for Shares from the Filer at a purchase price (the "Reference Price") equal to the average of the closing prices of the Shares on the 20 days preceding approval of the Employee Share Offering by the Filer's board of directors, less a 15% discount and a 5% employer contribution, and will transfer those Shares to the Fund in exchange for an equivalent number of Units. Dividends paid on the Shares held in the Fund will be capitalized and investors will be credited with additional Units.
9. The Fund plans to hold only Shares and cash in respect of dividends paid on the Shares, and proposes to issue its Units to Qualifying Employees, including the Canadian Participants, in an amount proportionate to their respective investments in Shares. Except as described below, the Fund will not engage in any of the investment practices described in sections 2.3 through 2.6 of National Instrument 81-102 Mutual Funds.
10. Units of the Fund will not be transferable. All Units of the Fund acquired in the Employee Share Offering will be subject to a five-year hold period, subject to exceptions prescribed by French law, including early redemption based on retirement, disability, death, or dismissal of the employee. At the end of the five-year hold period, a Canadian Participant may (i) redeem Units in consideration for the underlying Shares or a cash payment equal to the then-market value of the Shares held by the Fund, or (ii) continue to hold Units (or units of a successor FCPE to which the Fund's assets are transferred), and redeem the Units at a later date.
11. The Manager of the Fund is authorized to buy and sell Shares of the Filer and to hold cash in accordance with the Fund's rules, including in order to meet redemption requests. The Manager is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of the Fund.
12. A redemption charge of 0.65% will be charged to a holder who redeems Units, such charge to accrue to the Fund and be deducted from any sale proceeds remitted to the holder. All management charges relating to the Fund, including a base fee of 0.10% of net assets per year (0.05% of net assets per year for assets between FRF 500 million and FRF 1 billion), will be paid by the Filer.
13. Shares issued in the Employee Share Offering will be deposited in the Fund through Natexis Banques Populaires (the "Depositary"), a French bank subject to French banking legislation.
14. Under French law, the Depositary must be selected by the Manager from among a limited number of companies identified on a list by the French Minister of the Economy, and its appointment must be approved by the COB. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow the Funds to exercise the rights relating to the securities held in their respective portfolios.
15. Participation in the Employee Share Offering will be voluntary and Canadian Participants will not be induced

• **Decisions, Orders and Rulings**

- to participate in the Employee Share Offering by expectation of employment or continued employment.
16. None of the Filer, the Canadian Affiliates or any of their employees, agents or representatives will provide investment advice to the Qualifying Employees with respect to an investment in the Shares or the Units.
17. The total amount invested by a Qualifying Employee in the Employee Share Offering cannot exceed 25% of such Qualifying Employee's gross annual compensation.
18. Prior to any purchase of Shares from the Filer, Canadian Participants will receive an information package in the French or English language, as applicable, disclosing, among other things, a summary of the terms of the Employee Share Offering, the objective of the Fund, the method of valuation of a Unit of the Fund, the fees payable by purchasers and the Fund, a notice relating to the FCPE and a description of Canadian income tax consequences and risk factors of purchasing and holding the Shares and Units. Upon request, employees may receive copies of the Filer's annual report on Form 20-F filed with the United States Securities and Exchange Commission and/or the French *Document de Référence* filed with the COB in respect of the Shares and a copy of the Fund's rules.
19. The Canadian Participants who subscribe for Shares and Units will also receive copies of the continuous disclosure materials relating to the Filer furnished to shareholders of the Filer generally.
20. There will be no market for the Shares or Units in Canada.

- (b) the Registration and Prospectus Requirements shall not apply to the distribution of Units by the Fund to a Canadian Participant in connection with the Employee Share Offering; and
- (c) the Manager is exempt from the Advisor Registration Requirements as a result of acting as the investment manager of the Funds, provided that the investment activities of the Funds and authority of the Manager are limited to the activities described in paragraphs 9 and 11 respectively.

August 31st, 2000.

"Howard I. Wetson"

"R. Stephen Paddon"

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 Registration and Prospectus Requirements shall not apply to trades of Shares by the Filer or by the Fund to a Canadian Participant in connection with the Employee Share Offering, provided that the first trade in such Shares shall be deemed to be a distribution under the Legislation, unless;
- (i) the trade of Shares by a Canadian Participant is to the Fund; or
- (ii) it is executed through facilities of a stock exchange outside of Canada;

**2.1.12 SSgA Dow Jones Canada 40 Index
Participation Fund - MRRS Decision**

Headnote

Relief granted from certain provisions of securities legislation for initial and continuous distribution of index participation units of a technical mutual fund - relief from registration and prospectus requirement to permit distributions by the fund to special dealers in specified circumstances - relief from the registration requirement granted to permit members of futures exchanges and their partners, directors or officers to trade in units of the fund, subject to specified conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended - ss. 25(1) & 53(1).

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

AND

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

AND

**IN THE MATTER OF
SSgA DOW JONES CANADA 40 INDEX PARTICIPATION
FUND**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Newfoundland, and Prince Edward Island (the "Jurisdictions") received an application (the "Application") from State Street Global Advisors, Ltd. ("SSgA") and SSgA Dow Jones Canada 40 Index Participation Fund (the "Fund") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the prospectus and/or registration requirements contained in the Legislation do not apply to

- (a) trades by the Fund in its units to the Special Dealer (as defined in paragraph 12 below) in the circumstances described in the same paragraph), and
- (b) trades in units of the Fund by members of a futures exchange, or the members' partners, directors or officers trading on behalf of such members;

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

Securities Commission is the principal regulator for this Application;

AND WHEREAS SSgA has represented to the Decisions Makers as follows:

1. The Fund is a trust established under the laws of Ontario. State Street Trust Company Canada, an affiliate of SSgA, is the trustee of the Fund.
2. SSgA is the manager of the Fund. It is registered in Québec, Ontario, Alberta, British Columbia, Nova Scotia and New-Brunswick as a portfolio manager and investment counsel (or the equivalent categories of registration) under the Legislation of such Jurisdictions. Its head office is located in Montreal, Québec.
3. The investment objective of the Fund is to invest in and hold baskets of shares (the "Index Shares") of the 40 companies (the "Constituent Companies") that make up the Dow Jones Canada 40 Index (the "40 Index"), in the same relative weight as they are represented in the 40 Index (all the baskets of Index Shares collectively, the "Core Asset Shares"). The Fund will be managed as an index-tracking fund and will track the price performance of the 40 Index.
4. The Fund has filed a preliminary prospectus with each of the Jurisdictions for the purpose of the public and continuous distribution of its units in the Jurisdictions. Upon issuance of a receipt for its (final) prospectus (the "Prospectus"), the Fund will become a "reporting issuer" under the Legislation of each Jurisdiction where such term is applicable.
5. The "Core Asset Share Value per Unit" of the Fund is the quotient obtained by dividing the aggregate value of the Core Asset Shares held by the Fund, plus the value of any cash held to fund the cash redemption of units, by the number of units outstanding. The Core Asset Share Value per Unit will be calculated daily and is intended to be equal to 1/25th of the level of the 40 Index.
6. The Fund's units will be listed and posted for trading on the Toronto Stock Exchange (the "Exchange"). Each unit will confer on the holder a proportionate share of the economic benefits similar to those that such holder could obtain through individual investments in securities of the Constituent Companies of the 40 Index.
7. It is intended for the Exchange trading price of the Fund's units to reflect the Core Asset Share Value per Unit which, in turn, will closely track the 40 Index at approximately 1/25th of its level, plus an amount reflecting each unit's pro rata share of the undistributed net income of the Fund and the value of all dividends that have not yet been received by the Fund but to which the Fund is entitled (the "Accrued Distributions"). The Accrued Distributions will be held in a separate account (the "Income Account"), together with the dividends on the Core Asset Shares held by the Fund, the proceeds of the sale of dividends received in a form other than cash, and "Cash Equivalents" as defined in paragraph 10 below.

8. Each unit's pro rata share of Accrued Distributions at any time (the "Accrued Distribution Amount") will be an amount equal to the Accrued Distributions divided by the number of units outstanding at such time. The Accrued Distribution Amount will be calculated daily.
9. If the Core Asset Share Value per Unit of the Fund deviates significantly from 1/25th of the level of the 40 Index, the group of Index Shares constituting a basket will be adjusted or the Fund may cause the number of units outstanding to be consolidated or split, as necessary, in order to move the Core Asset Share Value per Unit closer to 1/25th of the level of the 40 Index.
10. The cash assets held in the Income Account may be invested by the Fund in units of Perigee T-Plus Fund or any other mutual fund promoted or managed at arm's length from SSgA and sold by prospectus in the Jurisdictions, and also in demand deposits and other deposits with a term of not more than 120 days in a Canadian chartered bank or trust company and obligations of the Government of Canada maturing in less than one year after the date that such obligations are acquired by the Fund (the "Cash Equivalents").
11. Units of the Fund may only be purchased directly from the Fund by one or more members of the Exchange who are registered brokers or dealers and who have entered into an underwriting agreement with the Fund (the "Underwriters"). A subscription or purchase may be made by an Underwriter for the prescribed number of units (the "Prescribed Number of Units"), or an integral multiple thereof, on any day on which there is a trading session on the Exchange. A substantial portion of the consideration payable by the Underwriters for units of the Fund will consist of Index Shares, in prescribed number of shares. The Underwriters will not receive any fees or commissions in connection with the Fund's issuance of units to them
12. Units of the Fund may also be issued directly and periodically by the Fund to one or more members of the Exchange who are registered dealers or brokers and who have entered into a special dealer agreement with the Fund (the "Special Dealer"), in the event of an adjustment to the 40 Index, a take-over bid or a similar extraordinary situation involving a Constituent Company, or to finance a permitted cash redemption of the Fund's units.
13. Except as described in paragraphs 11 and 12, the Fund's units may not be purchased directly from the Fund. It is anticipated that investors will purchase units of the Fund from the Underwriters or through the facilities of the Exchange. However, the Fund may issue units directly to unitholders on the reinvestment of special dividend distribution or capital gains distribution made in respect of the Core Asset Shares held by the Fund.
14. While unitholders who wish to dispose of their units may generally do so by selling their units on the Exchange, a unitholder who holds a Prescribed Number of Units or an integral multiple thereof may redeem

such units for a basket of Index Shares. Unitholders may also redeem their units for cash at a redemption price equal to 95% of the closing price of the units on the Exchange on the date of redemption.

15. Members of a futures exchange (or their partners, directors and officers), who are registered only under the commodity futures legislation or requirements (if any) of the Jurisdiction where such members carry on the business of dealing in futures contracts, may have to trade units of the Fund in order to hedge their futures and other derivatives holdings based on the 40 Index. Their registration under the applicable commodity futures legislation does not permit them to trade in units of the Fund.

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 and registration requirements of the Legislation do not apply to trades by the Fund in its units to the Special Dealers, in the circumstances described in paragraph 12 above; and
- (b) the registration requirement of the Legislation does not apply to trades in units of the Fund by members of a futures exchange, or the members' partners, directors or officers trading on behalf of such members, provided that
 - (i) the members or their partners, directors or officers are registered for trading purposes under the commodity futures legislation or requirements (if any) of the Jurisdiction where such members carry on the business of dealing in futures contracts,
 - (ii) the trades in units of the Fund are made only for such members' own account, and
 - (iii) neither the members nor their partners, directors or officers will trade in units of the Fund on behalf of their clients.

September 8th, 2000.

"J. A. Geller"

"Stephen N. Adams"

**2.1.13 State Street Global Advisors, Limited and
SSgA Dow Jones Canada 40 Index
Participation Fund - MRRS Decision**

Headnote

Relief granted from certain provisions of securities legislation for initial and continuous distribution of index participation units of a technical mutual fund - relief from registration requirement to permit the fund and its promoter to disseminate sales communication promoting the fund, subject to compliance with Part 15 of NI 81-102 - relief granted for the fund's prospectus not to contain an underwriter's certificate.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended - ss. 25(1) & 59(1).

Rules Cited

National Instrument 81-102, Mutual Funds - Part 15.

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

AND

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

AND

**IN THE MATTER OF
STATE STREET GLOBAL ADVISORS, LIMITED
AND
SSgA DOW JONES CANADA 40 INDEX PARTICIPATION
FUND**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Newfoundland, and Prince Edward Island (the "Jurisdictions") received an application (the "Application") from State Street Global Advisors, Ltd. ("SSgA") and SSgA Dow Jones Canada 40 Index Participation Fund (the "Fund") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that

- (a) the registration requirement of the Legislation does not apply to SSgA and the Fund, in connection with their proposed dissemination of sales communications relating to the distribution of units of the Fund, and
- (b) in connection with the proposed distribution of units of the Fund pursuant to a prospectus, the Fund be exempt

from the requirement that the prospectus contain a certificate of the underwriter or underwriters who is/are in a contractual relationship with the issuer whose securities are being offered;

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

AND WHEREAS SSgA has represented to the Decisions Makers as follows:

1. The Fund is a trust established under the laws of Ontario. State Street Trust Company Canada, an affiliate of SSgA, is the trustee of the Fund.
2. SSgA is the manager of the Fund. It is registered in Québec, Ontario, Alberta, British Columbia, Nova Scotia and New-Brunswick as a portfolio manager and investment counsel (or the equivalent categories of registration) under the Legislation of such Jurisdictions. Its head office is located in Montreal, Québec.
3. The investment objective of the Fund is to invest in and hold baskets of shares (the "Index Shares") of the 40 companies (the "Constituent Companies") that make up the Dow Jones Canada 40 Index (the "40 Index"), in the same relative weight as they are represented in the 40 Index (all the baskets of Index Shares collectively, the "Core Asset Shares"). The Fund will be managed as an index-tracking fund and will track the price performance of the 40 Index.
4. The Fund has filed a preliminary prospectus with each of the Jurisdictions for the purpose of the public and continuous distribution of its units in the Jurisdictions. Upon issuance of a receipt for its (final) prospectus (the "Prospectus"), the Fund will become a "reporting issuer" under the Legislation of each Jurisdiction where such term is applicable.
5. The "Core Asset Share Value per Unit" of the Fund is the quotient obtained by dividing the aggregate value of the Core Asset Shares held by the Fund plus the value of any cash held to fund the cash redemption of units, by the number of units outstanding. The Core Asset Share Value per Unit will be calculated daily and is intended to be equal to 1/25th of the level of the 40 Index.
6. The Fund's units will be listed and posted for trading on the Toronto Stock Exchange (the "Exchange"). Each unit will confer on the holder a proportionate share of the economic benefits similar to those that such investor could obtain through individual investments in securities of the Constituent Companies of the 40 Index.
7. It is intended for the Exchange trading price of the Fund's units to reflect the Core Asset Share Value per Unit which, in turn, will closely track the 40 Index at approximately 1/25th of its level, plus an amount reflecting each unit's pro rata share of the undistributed net income of the Fund and the value of all dividends

- that have not yet been received by the Fund but to which the Fund is entitled (the "Accrued Distributions"). The Accrued Distributions will be held in a separate account (the "Income Account"), together with the dividends on the Core Asset Shares held by the Fund, the proceeds of the sale of dividends received in a form other than cash, and "Cash Equivalents" as defined in paragraph 10 below.
8. Each unit's pro rata share of Accrued Distributions at any time (the "Accrued Distribution Amount") will be an amount equal to the Accrued Distributions divided by the number of units outstanding at such time. The Accrued Distribution Amount will be calculated daily.
 9. If the Core Asset Share Value per Unit of the Fund deviates significantly from 1/25th of the level of the 40 Index, the group of Index Shares constituting a basket will be adjusted or the Fund may cause the number of units outstanding to be consolidated or split, as necessary, in order to move the Core Asset Share Value per Unit closer to 1/25th of the level of the 40 Index.
 10. The cash assets held in the Income Account may be invested by the Fund in units of Perigee T-Plus Fund or any other mutual fund promoted or managed at arm's length from SSgA and sold by prospectus in the Jurisdictions, and also in demand deposits and other deposits with a term of not more than 120 days in a Canadian chartered bank or trust company and obligations of the Government of Canada maturing in less than one year after the date that such obligations are acquired by the Fund (the "Cash Equivalents").
 11. Units of the Fund may only be purchased directly from the Fund by one or more members of the Exchange who are registered brokers or dealers and who have entered into an underwriting agreement with the Fund (the "Underwriters"). A subscription or purchase may be made by an Underwriter for the prescribed number of units (the "Prescribed Number of Units"), or an integral multiple thereof, on any day on which there is a trading session on the Exchange. A substantial portion of the consideration payable by the Underwriters for units of the Fund will consist of Index Shares, in prescribed number of shares. The Underwriters will not receive any fees or commissions in connection with the Fund's issuance of units to them
 12. Units of the Fund may also be issued directly and periodically by the Fund to one or more members of the Exchange who are registered dealers or brokers and who have entered into a special dealer agreement with the Fund (the "Special Dealer"), in the event of an adjustment to the 40 Index, a take-over bid or a similar extraordinary situation involving a Constituent Company, or to finance a permitted cash redemption of the Fund's units.
 13. Except as described in paragraphs 11 and 12, the Fund's units may not be purchased directly from the Fund. It is anticipated that investors will purchase units of the Fund from the Underwriters or through the facilities of the Exchange. However, the Fund may

issue units directly to unitholders on the reinvestment of special dividend distribution or capital gains distribution made in respect of the Core Asset Shares held by the Fund.

14. While unitholders who wish to dispose of their units may generally do so by selling their units on the Exchange, a unitholder who holds a Prescribed Number of Units or an integral multiple thereof may redeem such units for a basket of Index Shares. Unitholders may also redeem their units for cash at a redemption price equal to 95% of the closing price of the units on the Exchange on the date of redemption.

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 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 registration requirement of the Legislation does not apply to SSgA and the Fund, in connection with any dissemination of sales communications relating to the distribution of units of the Fund, provided that they comply with Part 15 of National Instrument 81-102, Mutual Funds; and
- (b) in connection with the proposed distribution of units of the Fund pursuant to the Prospectus or any renewal prospectus, the Fund is exempt from the requirement of the Legislation that the Prospectus or renewal prospectus contain a certificate of the Underwriters as defined in paragraph 11 above.

September 8th, 2000.

"J. A. Geller"

"Stephen N. Adams"

**2.1.14 Stressgen Biotechnologies Corporation -
MRRS Decision**

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted from the eligibility requirements under National Policy Statement No. 47 and applicable Quebec legislation to permit issuer to file initial annual information form - "public float test" to be met on a date within sixty days of filing preliminary short form prospectus

Applicable Ontario Provisions

National Policy Statement No. 47 sections 4.1(1)(c), 4.1(2)(b)(i) and 4.5

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

AND

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

AND

**IN THE MATTER OF
STRESSGEN BIOTECHNOLOGIES CORPORATION
MRRS DECISION DOCUMENT**

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (the "Jurisdictions") has received an application from StressGen Biotechnologies Corporation ("StressGen") for a decision under the securities legislation and securities directions of the Jurisdictions (the "Legislation") that the provisions of Section 4.1(2) of National Policy Statement 47 ("NP 47") and section 169 of the Regulations Respecting Securities (Quebec) ("QRRS") (collectively, the "Eligibility Requirements") be waived to permit StressGen to be eligible to participate in the prompt offering qualification system (the "POP System").

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

AND WHEREAS StressGen has represented to the Decision Makers that:

1. StressGen was incorporated on April 5, 1990 under the *Company Act* (British Columbia) and maintains its head office in Victoria, B.C.;

2. StressGen is a biotechnology company which is researching and developing products based on the therapeutic application of stress proteins;
3. StressGen has been a reporting issuer under the Legislation of each of the Jurisdictions for greater than 12 months and, is not in default under any requirement of the Legislation;
4. the authorized share capital of StressGen consists of 125,000,000 shares divided into 100,000,000 Common Shares and 25,000,000 Preferred Shares;
5. as at June 30, 2000, 42,546,344 Common Shares and no Preferred Shares were issued and outstanding;
6. StressGen's Common Shares are currently listed and posted for trading on The Toronto Stock Exchange;
7. the financial year-end of StressGen is December 31;
8. as at December 31, 1999, 32,775,894 Common Shares and no Preferred Shares were issued and outstanding, of which 4,244,603 were beneficially owned, directly or indirectly, or over which control or direction was exercised by Persons (as defined in the Eligibility Requirements) that alone or together with their respective affiliates or Associates (as defined in NP 47 and the QRRS) beneficially owned or exercised control or direction over more than 10% of the Common Shares (the "Insider Shares");
9. the aggregate market value of the Common Shares for the month of December 1999, being the last calendar month of its financial year, calculated in accordance with the Eligibility Requirements was more than \$75,000,000 including the value of the Insider Shares, but was less than \$75,000,000 excluding the value of the Insider Shares;
10. as at June 30, 2000, 42,546,344 Common Shares were issued and outstanding, none of which were Insider Shares, and the aggregate market value of StressGen's Common Shares, calculated in accordance with the Eligibility Requirements was \$261,277,098.50 (based on the arithmetic average closing trading price for the month of June 2000 of \$6.141); and
11. StressGen would be eligible to participate in the POP System on the filing and acceptance of its Initial AIF under Proposed National Instrument 44-101, which would replace the current time period for calculating the aggregate market value of an issuer's equity securities under the Eligibility Requirements for its Initial AIF with a calculation as of a date within 60 days before the filing of the issuer's preliminary short form prospectus;

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

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

The Decision of the Decision Makers under the Legislation is that the Eligibility Requirements are waived so that StressGen is eligible to participate in the POP System provided that:

- (a) StressGen complies in all other respects with the requirements of NP 47 and the QRRS;
- (b) the aggregate market value of the outstanding common shares of StressGen, calculated in accordance with the Eligibility Requirements is \$75,000,000 or more on a date within 60 days before the date of the filing of StressGen's preliminary short form prospectus;
- (c) the eligibility certificate to be filed in respect of StressGen's Initial AIF shall state that StressGen satisfies the eligibility criteria set out in sections 4.1(1)(a) and 4.1(1)(b) of NP 47, and shall make reference to this Decision; and
- (d) this Decision terminates on the earlier of:
 - (i) 140 days after the end of StressGen's financial year ended December 31, 2000; and
 - (ii) the date a renewal AIF is filed by StressGen in respect of its financial year ended December 31, 2000.

August 8th, 2000.

"M. Sheehy"

2.1.15 Taylor Gas Liquids Fund, Taylor NGL Limited Partnership and Taylor Gas Liquids Ltd. - MRRS Decision

Headnote

MRRS - Prospectus relief granted for first trades in limited partnership units received pursuant to a reorganization whereby a trust will be converted to a limited partnership. The limited partnership units will be listed on the TSE. Relief granted subject to certain conditions.

Statutes Cited

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

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

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

AND

IN THE MATTER OF
TAYLOR GAS LIQUIDS FUND,
TAYLOR NGL LIMITED PARTNERSHIP AND
TAYLOR GAS LIQUIDS LTD.

DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (the "Jurisdictions") has received an application from Taylor Gas Liquids Fund (the "Trust") for a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting the distribution of limited partnership units ("LP Units") by the Trust from the registration and prospectus requirements of the Legislation in relation to a transaction (the "Conversion") pursuant to which the Trust will convert into Taylor NGL Limited Partnership (the "Limited Partnership");
2. **AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;
3. **AND WHEREAS** the Trust has represented to the Decision Makers that:
 - 3.1 the Trust is a trust formed under the laws of Alberta and is a reporting issuer or the equivalent in each province of Canada where such concept is applicable;

- 3.2 the Trust distributed its units to the public pursuant to a prospectus dated July 19, 1996;
- 3.3 the Trust has 9,719,675 units issued and outstanding;
- 3.4 the Trust's units are listed on The Toronto Stock Exchange and are widely held;
- 3.5 other than KeySpan Energy Canada Ltd., which holds 1,883,135, or 19.4%, of the issued and outstanding Trust units, and Guardian Capital Inc., which exercised control or direction over 1,343,800 or 13.8% of the issued and outstanding Trust units, no person, firm or corporation beneficially owns, directly or indirectly, or exercises control or direction over units of the Trust carrying 10% of the votes attached to the units of the Fund;
- 3.6 the Trust is the sole holder of common shares and notes of Taylor Gas Liquids Ltd. ("Taylor Ltd.");
- 3.7 Taylor Ltd. is the sole holder of Base Partnership Units and Class C Expansion Units of Taylor Gas Liquids Limited Partnership (the "Private Partnership") whose sole business purpose is to hold an interest in the Younger Extraction Plant at Taylor, British Columbia (the "Taylor Plant");
- 3.8 the Trust is converting to a limited partnership structure pursuant to which each unitholder of the Trust will receive one LP Unit for each unit of the Trust currently held;
- 3.9 the Conversion will occur in the following manner:
- 3.9.1 Taylor Ltd. will transfer all of the issued and outstanding Base Partnership Units and Class C Expansion Units of the Private Partnership to the Limited Partnership in exchange for LP Units. Taylor Ltd. will act as the general partner of the Limited Partnership (the "Limited Partnership GP");
- 3.9.2 Taylor Ltd. will repay the notes owing by it to the Trust and, to the extent necessary, repurchase its common shares, by transferring the LP Units to the Trust;
- 3.9.3 if the notes are not fully repaid pursuant to the transfer of the LP Units to the Trust, the Trust will transfer the remaining debt of Taylor Ltd. to the Limited Partnership in exchange for additional LP Units; and
- 3.9.4 the Trust will redeem all of its outstanding units by distributing the LP Units to the current unitholders of the Trust;
- 3.10 the Trust will continue as a trust for the benefit of the limited partners of the Limited Partnership, the only assets of which trust will be 100% of the common shares of the Limited Partnership GP;
- 3.11 the manager of the Trust has determined that there will be certain operational benefits to converting the Trust to a limited partnership structure:
- 3.11.1 under the proposed limited partnership structure, the Manager will cease to be a holding entity between the assets of the Trust, being the Taylor Plant, and the unitholders of the Trust, thereby eliminating certain costs of operating this corporate entity, including taxation at the corporate level; and
- 3.11.2 certain of the disadvantages to a limited partnership structure which were present at the time of the Trust's initial public offering are no longer present;
- 3.12 the distribution of the LP Units by the Trust to the unitholders of the Trust on redemption of the Trust units will be completed pursuant to exemptions for trades made with the securities holders of an offeree issuer pursuant to the issuer bid exemption applicable to the redemption of securities (the "Issuer Bid Exemption") where such exemptions are available;
- 3.13 the other distributions of securities under the Conversion other than the distribution of the LP Units by the Trust to the unitholders of the Trust on redemption of the Trust units will be carried out through exemptions from the registration and prospectus requirements of the Legislation;
- 3.14 the Legislation of certain of the provinces does not provide exemptions equivalent to the Issuer Bid Exemption;
- 3.15 the approval of the unitholders of the Trust for the conversion was obtained at a meeting of the unitholders of the Trust held on June 2, 2000;
- 3.16 the material differences between the trust structure and the limited partnership structure have been set out in the Trust's information circular dated April 27, 2000 relating to the meeting of unitholders of the Trust at which approval of the Conversion was sought (the "Information Circular");
- 3.17 the information provided to the unitholders of the Trust in the Information Circular regarding the Conversion, the Limited Partnership structure and the differences between the Limited Partnership and Trust structures is prospectus level disclosure;

- 3.18 following the Conversion, all of the current unitholders of the Trust will be holders of LP Units and the Limited Partnership will continue to hold an indirect interest in the Taylor Plant which will be unaffected by the Conversion;
- 3.19 following the Conversion, the Trust will have no unitholders and will continue to exist merely to hold the shares of Taylor Ltd. which will act as the Limited Partnership GP;
- 3.20 following the Conversion, the beneficiaries of the Trust will be the limited partners of the Limited Partnership, being the current unitholders of the Trust;
- 3.21 pursuant to the Legislation, the first trade in LP Units acquired by the unitholders under the Issuer Bid Exemption is a distribution unless, among other conditions, the Limited Partnership has been a reporting issuer or the equivalent thereof for at least 12 months; and
- 3.22 the Limited Partnership has made applications to become a reporting issuer or the equivalent thereof in Alberta, British Columbia, Saskatchewan, Ontario, Québec, and Nova Scotia (the "Reporting Jurisdictions");
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 pursuant to the Legislation is that the distribution of LP Units by the Trust to unitholders of the Trust in relation to the Conversion shall be exempt from the registration and prospectus requirements;
7. **THE DECISION** of the Decision Makers pursuant to the Legislation is that the first trade in any Jurisdiction in any LP Unit acquired pursuant to this Decision is deemed to be a "distribution" if made in the Provinces of British Columbia, Alberta, Saskatchewan, Ontario, Québec, Nova Scotia or Newfoundland, a "primary distribution to the public" if made in the Provinces of Manitoba or New Brunswick and a "distribution to the public" if made in the Province of Prince Edward Island unless:
- 8.1 at the time of the first trade the Limited Partnership is a reporting issuer or the equivalent thereof in the corresponding Reporting Jurisdiction;
- 8.2 if the first trade is made in Manitoba or Newfoundland, the Limited Partnership has filed in that jurisdiction all disclosure materials that the Limited Partnership would otherwise be required to file in the Reporting Jurisdictions;
- 8.3 the Limited Partnership is not in default of any requirements of the Legislation;
- 8.4 the vendor of the LP Units, if in a special relationship (where "special relationship" is defined under the Legislation) with the Limited Partnership, has no reasonable grounds to believe that the Limited Partnership is in default of any requirement of the Legislation;
- 8.5 disclosure has been made to the Decision Maker of the Conversion, which disclosure has been made by the filing of the Information Circular;
- 8.6 no unusual effort is made to prepare the market or to create a demand for the LP Units and no extraordinary commission is paid in respect of the trade; and
- 8.7 in all other Jurisdictions save for Québec, the first trade is not from the holdings of a person or company or a combination of persons or companies holding a sufficient number of any securities of the Limited Partnership so as to affect materially the control of the Limited Partnership or more than 20% of the outstanding voting securities of the Limited Partnership, except where there is evidence showing that the holdings of those securities does not affect materially the control of the Limited Partnership.

June 29th, 2000.

"Glenda A. Campbell"

"Thomas D. Pinder"

2.1.16 VERSUS Brokerage Services Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from the Suitability Requirements, as reflected in paragraph 1.5(1)(b) of OSC Rule 31-505, pursuant to section 4.1 of OSC Rule 31-505, subject to the terms and conditions set out in the Decision Document.

Decision pursuant to s.21.1(4) of the Act, that the IDA Suitability Requirements do not apply to the Filer, subject to the terms and conditions set out in the Decision Document.

Applicable Ontario Statute

Securities Act R.S.O. 1990, c.S.5, as amended, s.21.1(4).

Rules Cited

Ontario Securities Commission Rule 31-505 "Conditions of Registration" (1999) 22 O.S.C.B. 731.

IDA Regulations Cited

IDA Regulation 1300.1(b), 1800.5(b), 1900.4.

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

AND

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

AND

**IN THE MATTER OF
VERSUS BROKERAGE SERVICES 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, Newfoundland, Nova Scotia and Ontario (collectively, the "Jurisdictions") has received an application from VERSUS Brokerage Services Inc. (the "Filer") for:

1. a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements of the Legislation requiring the Filer and its registered salespersons, partners, officers and directors ("Registered Representatives") to make inquiries of each client of the Filer as are appropriate, in view of the nature of the client's investments and of the type of transaction being effected for the client's account, to determine (a) the general investment needs and objectives of the client and (b) the suitability of a

proposed purchase or sale of a security for the client (such requirements, the "Suitability Requirements") do not apply to the Filer and its Registered Representatives; and

2. a decision under the Legislation, other than the securities legislation of Newfoundland and Nova Scotia, that the requirements of the Investment Dealers Association of Canada (the "IDA"), in particular IDA Regulation 1300.1(b), 1800.5(b) and 1900.4, requiring the Filer and its Registered Representatives to make inquiries of each client of the Filer as are appropriate, in view of the nature of the client's investments and of the type of transaction being effected for the client's account, to determine (a) the general investment needs and objectives of the client and (b) the suitability of a proposed purchase or sale of a security for the client (such requirements, the "IDA Suitability Requirements") do not apply to the Filer and its Registered Representatives;

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 *Business Corporations Act* (Ontario);
2. the head office of the Filer is located in Ontario and the Filer has executive officers and Registered Representatives located in each of the Jurisdictions;
3. the Filer is registered under the Legislation as an investment dealer and is a member of the IDA;
4. the Filer and its Registered Representatives do not and will not, except as provided in 10 below, provide advice or recommendations regarding the purchase or sale of any security and the Filer has adopted policies and procedures to ensure the Filer and its Registered Representatives do not, with such exception, provide advice or recommendations regarding the purchase or sale of any security;
5. when the Filer provides trade execution services to clients it would, in the absence of this Decision, be required to comply with the Suitability Requirements and IDA Suitability Requirements;
6. clients who request the Filer or its Registered Representatives to provide advice or recommendations or advice as to suitability will be referred to a registered dealer or adviser that provides those services;
7. the Filer does not and will not compensate its Registered Representatives on the basis of transactional values;
8. each client of the Filer will be advised of the Decision of the Decision Makers and requested to acknowledge that:

- (a) no advice or recommendation will be provided by the Filer or its Registered Representatives regarding the purchase or sale of any security, and
 - (b) the Filer and its Registered Representatives will no longer determine the general investment needs and objectives of the client or the suitability of a proposed purchase or sale of a security for the client; (both (a) and (b) shall constitute the "Client Acknowledgement")
9. each client of the Filer will be advised that he or she has the option of transferring his or her account or accounts to a registered dealer or adviser that provides advice and recommendations at no cost to the client if the client does not wish to provide a Client Acknowledgement (the "Account Transfer Option");
10. the Filer and its Registered Representatives will continue to comply with the Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received for six months following the date of this Decision;
11. after the date six months following the date of this Decision, the Filer will not permit a transaction in an account for which a Client Acknowledgement has not been received unless the transaction is a sale for cash or a transfer of assets to another account;
12. all prospective clients of the Filer will be advised and required to acknowledge that:
- (a) no advice or recommendations will be provided by the Filer or its Registered Representatives regarding the purchase or sale of any security, and
 - (b) the Filer and its Registered Representatives will not determine the general investment needs and objectives of the client or the suitability of a proposed purchase or sale of a security for the client, (both (a) and (b) shall constitute the "Prospective Client Acknowledgement")
- prior to the Filer opening an account for such prospective client;
13. The Filer has adopted policies and procedures to ensure:
- (a) that evidence of all Client Acknowledgements, Prospective Client Acknowledgements and Account Transfer Options is established and retained pursuant to the record keeping requirements of the Legislation and the IDA,
 - (b) all client accounts of the Filer are appropriately designated as being a client account to which a Client Acknowledgement or Prospective Client Acknowledgement has been received or being a client account to which a Client Acknowledgement has not been received, and

- (c) for any client of the Filer who does not provide a Client Acknowledgement and chooses to exercise the client's Account Transfer Option, the Filer will transfer the client's account in an expeditious manner and at no cost to the client;

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

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

THE DECISION of the Decision Makers under the Legislation is that the Suitability Requirements contained in the Legislation shall not apply to the Filer and its Registered Representatives so long as:

- 1. except as permitted by 6 below, the Filer and its Registered Representatives do not provide any advice or recommendations regarding the purchase or sale of any security;
- 2. clients who request the Filer or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to a registered dealer or adviser that provides those services;
- 3. the Filer is a distinct legal entity and operates using its own letterhead, accounts, Registered Representatives and account documentation;
- 4. the Filer does not compensate its Registered Representatives on the basis of transactional values;
- 5. each client of the Filer is advised of the Decision of the Decision Makers and requested to make a Client Acknowledgement or transfer his or her account to a dealer who provides advice if the client does not wish to make a Client Acknowledgement;
- 6. the Filer and its Registered Representatives continue to comply, for six months following the date of this Decision, with their Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received;
- 7. commencing six months following the date of this Decision, the Filer will not permit transactions in an account for which a Client Acknowledgement has not been received unless the transaction is a sale for cash or a transfer of assets to another account;
- 8. each prospective client of the Filer is advised of the Decision of the Decision Makers and required to make a Prospective Client Acknowledgement prior to the Filer servicing such prospective client;
- 9. evidence of all Client Acknowledgements, Prospective Client Acknowledgements and Account Transfer Options is established and retained pursuant to the record keeping requirements of the Legislation and the IDA;

10. for any client who elects to exercise the client's Account Transfer Option, the Filer transfers such account or accounts to a registered dealer or adviser that provides advice or recommendations in an expeditious manner and at no cost to the client;
11. the Filer accurately identifies and distinguishes client accounts for which a Client Acknowledgement or Prospective Client Acknowledgement has been provided and client accounts for which no Client Acknowledgement has been provided; and
12. if an IDA rule addressing the IDA Suitability Requirements comes into effect, the Decision with respect to the Suitability Requirements will terminate one year following the date such rule comes into force, unless the Decision Maker determines otherwise.

September 7th, 2000.

"William R. Gazzard"

THE DECISION of the Decisions Makers, other than Nova Scotia and Newfoundland, is that the IDA Suitability Requirements do not apply to the Filer and its Registered Representatives so long as:

1. excepted as permitted by 6 below, the Filer and its Registered Representatives do not provide any advice or recommendations regarding the purchase or sale of any security;
2. clients who request the Filer or its Registered Representatives to provide advice or recommendations or advice as to suitability are referred to a registered dealer or adviser that provides those services;
3. the Filer is a distinct legal entity and operates using its own letterhead, accounts, Registered Representatives and account documentation;
4. the Filer does not compensate its Registered Representatives on the basis of transactional values;
5. each client of the Filer is advised of the Decision of the Decision Makers and requested to make a Client Acknowledgement or transfer his or her account to a dealer who provides advice if the client does not wish to make a Client Acknowledgement;
6. the Filer and its Registered Representatives continue to comply, for six months following the date of this Decision, with their Suitability Requirements and IDA Suitability Requirements for client accounts for which no Client Acknowledgement is received;
7. commencing six months following the date of this Decision, the Filer will not permit transactions in an account for which a Client Acknowledgement has not been received unless the transaction is a sale for cash or a transfer of assets to another account;

8. each prospective client of the Filer is advised of the Decision of the Decision Makers and required to make a Prospective Client Acknowledgement prior to the Filer servicing such prospective client;
9. evidence of all Client Acknowledgements, Prospective Client Acknowledgements and Account Transfer Options is established and retained pursuant to the record keeping requirements of the Legislation and the IDA;
10. for any client who elects to exercise the client's Account Transfer Option, the Filer transfers such account or accounts to a registered dealer or adviser that provides advice or recommendations in an expeditious manner and at no cost to the client;
11. the Filer accurately identifies and distinguishes client accounts for which a Client Acknowledgement or Prospective Client Acknowledgement has been provided and client accounts for which no Client Acknowledgement has been provided; and
12. if an IDA rule addressing the IDA Suitability Requirements comes into effect, the Decision with respect to the IDA Suitability Requirements will terminate one year following the date such rule comes into force, unless the Decision Maker determines otherwise.

September 7th, 2000.

"Howard I. Wetston"

"J. A. Geller"

2.2 Orders

2.2.1 Astral Media Inc. et al. - s. 233, Regulation

Headnote

Relief granted from ss. 224(1)(b) of the Regulation, as varied by the Rule cited below, to underwriters connected to the issuer - Issuer not in financial difficulty.

Regulations Cited

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

Rules Cited

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

Proposed Multi-jurisdictional Instrument 33-105 - Underwriting Conflicts (1998) 21 OSCB 781.

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

AND

**IN THE MATTER OF
ASTRAL MEDIA INC.**

AND

**IN THE MATTER OF
SCOTIA CAPITAL INC., CIBC WORLD MARKETS INC.,
GRIFFITHS MCBURNEY & PARTNERS, NATIONAL BANK
FINANCIAL INC.,
NEWCREST CAPITAL INC., RBC DOMINION SECURITIES
INC.,
TD SECURITIES INC., YORKTON SECURITIES INC.
AND TRILON SECURITIES CORPORATION**

ORDER

(Section 233 of the Regulation)

UPON the application of Astral Media Inc. ("Astral") on behalf of Scotia Capital Inc., CIBC World Markets Inc., Griffiths McBurney & Partners, National Bank Financial Inc., Newcrest Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., Yorkton Securities Inc. and Trilon Securities Corporation (collectively, the "Underwriters") to the Ontario Securities Commission (the "Commission") 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, as varied by a rule of the Commission entitled *In the Matter of the Limitations on a Registrant Underwriting Securities of a Related Issuer or Connected Issuer*, (1997), 20 OSCB 1217 as amended (the "Rule") in respect of the distribution (the "Offering") by Astral of Class A Non-Voting Shares of Astral by way of a short form prospectus (the "Prospectus");

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

AND UPON Astral having represented to the Commission that:

1. Astral was continued under the *Canada Business Corporations Act* by Certificate of Continuance dated August 27, 1986.
2. Astral is a reporting issuer under the Act and is not in default of any requirement under the Act.
3. Astral has filed a preliminary short form prospectus (the "Preliminary Prospectus") with the Commission des valeurs mobilières du Québec and with the securities regulatory authorities in each of the other provinces of Canada in order to qualify the Offering of 2,500,000 Class A Non-Voting Shares at a price of \$38.50 per share.
4. Pursuant to the terms of an underwriting agreement between Astral and the Underwriters, the Underwriters have agreed to act as underwriters in connection with the Offering; the proportionate share of the Offering to be underwritten by each of the Underwriters is as follows:

UNDERWRITER NAME	PROPORTIONATE SHARE OF OFFERING
Scotia Capital Inc.	28%
CIBC World Markets Inc.	15%
Griffiths McBurney & Partners	10%
National Bank Financial Inc.	10%
Newcrest Capital Inc.	10%
RBC Dominion Securities Inc.	10%
TD Securities Inc.	10%
Yorkton Securities Inc.	5%
Trilon Securities Corporation	2%

5. Timothy R. Price, a Director of Astral, is Chairman of the Board of Trilon Financial Corporation, an affiliate of Trilon Securities Corporation ("Trilon").
6. Astral has an agreement with a syndicate of financial institutions (the "Syndicate") for a credit facility pursuant to which \$110 million is outstanding (the "Credit Facility"); each of Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc. and National Bank Financial Inc. (together with Trilon, the "Non-Independent Underwriters") is controlled by a Canadian chartered bank which is a member of the Syndicate - The Bank of Nova Scotia, Royal Bank of Canada, The Toronto-Dominion Bank and National Bank of Canada respectively (the "Banks").
7. Astral is a "connected issuer" (within the meaning of subsection 219(1) of the Regulation) to the Non-Independent Underwriters thus the Syndicate does not comply with the proportionate requirements of clause 224(1)(b) of the Regulation as varied by the Rule; Astral is not a "related issuer" to the Underwriters

(within the meaning of subsection 219(1) of the Regulation).

8. The Bank of Nova Scotia, Royal Bank of Canada, The Toronto-Dominion Bank and National Bank of Canada are responsible for 17.07%, 21.95%, 14.63% and 21.95% respectively, of the sums borrowed under the Credit Facility, representing an amount of \$83,200,000 as of August 23, 2000; the net proceeds of the Offering will be used to reduce Astral's indebtedness under the Credit Facility.
9. The Banks did not participate in the decision to make the Offering nor in the determination of the terms of the Offering or the use of proceeds thereof.
10. The Non-Independent Underwriters will not benefit in any manner from the Offering other than the payment of their fee in connection with the Offering.
11. CIBC World Markets Inc., Griffiths McBurney & Partners, Newcrest Capital Inc. and Yorkton Securities Inc. are independent of the lenders under the Credit Facility and the aggregate proportionate share of the Offering to be underwritten by them is equal to 40%.
12. The disclosure required by Schedule C to the Proposed Multi-jurisdictional Instrument 33-105 entitled Underwriting Conflicts (1998) 21 OSCB 781 (the "Proposed Instrument") is contained in the Preliminary Prospectus and the Prospectus.
13. Astral is not a "related issuer" (as that term is defined in the Proposed Instrument) of any of the Underwriters nor is Astral a "specified party" (as that term is defined in the Proposed Instrument).
14. Astral is in good financial condition and is not under any immediate financial pressure to complete the Offering.
15. The certificate in the Preliminary Prospectus and the Prospectus is signed by each of the Underwriters as required by the Act.

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 varied by the Rule, in respect of the Offering.

September 5th, 2000.

"J.A. Geller"

"R. Stephen Paddon"

2.2.2 Elliott & Page American Growth Fund, Elliott & Page U.S. Mid-Cap Fund, Elliott & Page Global Equity Fund - ss. 59(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 redistributions 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 ELLIOTT & PAGE AMERICAN GROWTH FUND ELLIOTT & PAGE U.S. MID-CAP FUND ELLIOTT & PAGE GLOBAL EQUITY FUND

ORDER

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

UPON the application of Elliott & Page Limited ("EPL"), the manager and trustee of Elliott & Page RSP American Growth Fund, Elliott & Page RSP U.S. Mid-Cap Fund, Elliott & Page RSP Global Equity Fund and other similar funds established by EPL from time to time (collectively, the "RSP Funds") and Elliott & Page American Growth Fund, Elliott & Page U.S. Mid-Cap Fund, Elliott & Page Global Equity Fund and other similar funds established by EPL from time to time, but not including RSP Funds, (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 to the *Securities Act* (Ontario) (the "Act") 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 of such units;

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

AND upon EPL having represented to the Commission that:

1. EPL is or will be the manager and trustee of the RSP Funds and the Underlying Funds. EPL is a corporation established under the laws of Ontario.

2. Each of the RSP Funds and the Underlying Funds is, or will be, an open-end unincorporated mutual fund trust established under the laws of Ontario.
3. The Advisor Class units and the Class F units of the RSP Funds and the Underlying Funds are, or will be, qualified for distribution pursuant to a simplified prospectus and annual information form filed across Canada, and the Class T units of the Underlying Funds are, or will be, qualified for distribution pursuant to the same simplified prospectus and annual information form 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 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 Class T units (the "Hedge Units") of the applicable Underlying Fund.
7. As part of their investment strategy, the RSP Funds may purchase Class T 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 its 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 (the "Reinvested Units").

AND UPON the Commission being satisfied that 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 with respect to 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 section 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 distributed to the RSP Funds, (2) Hedge Units and (3) Reinvested Units; together with a calculation of fees that would have been payable in the absence of this order.

August 16th, 2000.

"J. A. Geller"

"R. Stephen Paddon"

2.2.3 Total Fina Elf S.A. - cl. 104(2)(c)

Headnote

Securities exchange take-over bid made by a French offeror for a French offeree - Offer to be made in accordance with United States federal securities laws, subject to limited tender offer exemptive relief available pursuant to the "Tier II" exemption provided by the Securities and Exchange Commission rule entitled "Cross-Border and Exchange Offers, Business Combinations and Rights Offerings" - Offeror cannot rely upon the *de minimis* exemption in the Act, even though the United States has been recognized by the Commission for purposes of this exemption, because the offeror is relying upon the Tier II exemption - Exemption granted 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)

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

AND

**IN THE MATTER OF
TOTAL FINA ELF S.A.**

**ORDER
(Clause 104(2)(c))**

UPON the application (the "Application") of Total Fina Elf S.A. ("TotalFinaElf") to the Ontario Securities Commission (the "Commission") for an order pursuant to clause 104(2)(c) of the Act that TotalFinaElf be exempt from the requirements of sections 95 to 100 of the Act in respect of a securities exchange take-over bid (the "US Offer") by TotalFinaElf to acquire shares (the "Elf Aquitaine Shares") and American Depositary Shares (the "Elf Aquitaine ADS") of Elf Aquitaine ("Elf Aquitaine");

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

AND UPON TotalFinaElf having represented to the Commission as follows:

1. TotalFinaElf is an international integrated oil and gas company based in France. TotalFinaElf is not a reporting issuer or the equivalent in any province of Canada.
2. As at April 30, 2000, there were 724,479,039 shares of TotalFinaElf (the "TotalFinaElf Shares") issued and outstanding. The TotalFinaElf Shares are listed on the Paris, Brussels and London stock exchanges and are quoted on the international SEAQ.
3. The TotalFinaElf Shares also trade in the form of American Depositary Shares (the "TotalFinaElf ADS"). Each TotalFinaElf ADS represents an entitlement to one-half of one TotalFinaElf Share. The TotalFinaElf

ADS are listed on the New York Stock Exchange (the "NYSE").

4. Elf Aquitaine is an international oil and gas company with headquarters in France. To TotalFinaElf's knowledge, Elf Aquitaine is not a reporting issuer or the equivalent in any province of Canada.
5. In July 1999, TotalFinaElf commenced a securities exchange take-over bid in France, followed by a concurrent securities exchange take-over bid in the United States and certain other jurisdictions, including Ontario (collectively, the "Initial Exchange Offers"), for all of the outstanding Elf Aquitaine Shares and Elf Aquitaine ADS. The Initial Exchange Offer was made in Ontario in reliance upon a discretionary exemption granted by the Commission in October 1999.
6. Upon completion of the Initial Exchange Offers on or about October 26, 1999, TotalFinaElf owned approximately 95% of the outstanding Elf Aquitaine Shares, including the Elf Aquitaine ADS.
7. As at June 30, 2000, there were approximately 277,456,732 Elf Aquitaine Shares issued and outstanding, including 1,729,998 Elf Aquitaine ADS. Each Elf Aquitaine ADS represents an entitlement to one-half of one Elf Aquitaine Share.
8. The Elf Aquitaine Shares are listed on the Paris Stock Exchange and the Elf Aquitaine ADS are listed on the NYSE.
9. As of April 30, 2000, TotalFinaElf owned, directly or indirectly, 265,116,084 Elf Aquitaine Shares (including Elf Aquitaine ADS), representing approximately 95.55% of the outstanding Elf Aquitaine Shares (including Elf Aquitaine ADS).
10. To TotalFinaElf's knowledge, as of July 21, 2000, there were:
 - A. four registered holders of Elf Aquitaine Shares in Ontario holding 9,000 Elf Aquitaine Shares representing approximately 0.0032% of the class;
 - B. four registered holders of Elf Aquitaine ADS in Ontario holding 710 Elf Aquitaine ADS; and
 - C. 25 beneficial holders of Elf Aquitaine ADS in Ontario holding 2,688 Elf Aquitaine ADS through a plan (the "Global Buy Direct Bank Plan") sponsored by the Bank of New York ("BONY") pursuant to which participants may acquire beneficial ownership of Elf Aquitaine ADS registered in the name of a nominee of BONY.
11. To TotalFinaElf's knowledge, less than 0.004% of issued and outstanding Elf Aquitaine Shares (including Elf Aquitaine ADS) are held either by holders having a registered address in Ontario and/or beneficial holders in Ontario participating through the Global Buy Direct Bank Plan.

12. TotalFinaElf is making two exchange offers (collectively, the "Offers") to acquire all of the outstanding Elf Aquitaine Shares and Elf Aquitaine ADS not already held by TotalFinaElf. Pursuant to the Offers, each holder of Elf Aquitaine Shares will receive four TotalFinaElf Shares for every three Elf Aquitaine Shares tendered and each holder of Elf Aquitaine ADS will receive four Elf Aquitaine ADS for every three Elf Aquitaine ADS tendered.
13. One Offer is being made in accordance with the laws of France and was commenced on June 15, 2000 (the "French Offer").
14. The US Offer, which was commenced on July 27, 2000, is being made in accordance with the federal securities laws of the United States, subject to limited tender offer exemptive relief (the "Tier II Exemption") available to TotalFinaElf. The Tier II Exemption is codified in a rule of the Securities and Exchange Commission (the "SEC") entitled "*Cross-Border and Exchange Offers, Business Combinations and Rights Offerings*", which came into effect on January 24, 2000. TotalFinaElf may rely upon the Tier II Exemption because United States holders of Elf Aquitaine Shares and Elf Aquitaine ADS hold less than 40% of such securities (counted together as a single class and excluding those Elf Aquitaine Shares and Elf Aquitaine ADS held by TotalFinaElf).
15. The US Offer is being made to, among others, holders of Elf Aquitaine Shares and Elf Aquitaine ADS in the United States. The US Offer was commenced on July 27, 2000 and will expire, unless extended, on September 1, 2000.
16. The terms of the US Offer are set out in the prospectus and exchange offer circular, dated July 27, 2000 (the "US Offer Document"). The US Offer Document is contained in a Registration Statement (the "Registration Statement") on Form F-4, as amended and filed with the SEC on July 27, 2000. The Registration Statement was declared effective by the SEC on July 27, 2000.
17. Upon expiration of the US Offer, the deposit agreement governing the Elf Aquitaine ADS will be terminated. In addition, Elf Aquitaine has announced its intention to delist the Elf Aquitaine ADS from the NYSE and delist the Elf Aquitaine Shares from the Paris Stock Exchange. If there are fewer than 300 holders of record of Elf Aquitaine Shares resident in the United States after completion of the US Offer, registration of the Elf Aquitaine Shares may be terminated upon application by Elf Aquitaine to the SEC.
18. Although the Commission has recognized the laws of the United States, for the purpose of clause 93(1)(e) of the Act, TotalFinaElf cannot rely upon the exemption in clause 93(1)(e) from the requirements in sections 95-100 of the Act because it is relying upon the Tier II Exemption in connection with the US Offer.
19. The US Offer is being made upon the same terms and conditions to Ontario holders of Elf Aquitaine Shares and Elf Aquitaine ADS (collectively, the "Ontario

Holders") as it is being made to holders of such securities in the United States (collectively, the "US Holders").

20. All materials relating to the US Offer and any amendment thereto that have been, or will be, sent to US Holders have been, or will be, sent concurrently to all Ontario Holders whose last address shown on the books of Elf Aquitaine is in Ontario (collectively, the "Ontario-Registered Holders") and filed with the Commission.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that TotalFinaElf is exempt from the requirements in sections 95 to 100 of the Act in connection with the US Offer, provided that all materials relating to the US Offer that are sent to US Holders are sent concurrently to all Ontario-Registered Holders and filed forthwith with the Commission.

August 1st, 2000.

"J. A. Geller"

"R. Stephen Paddon"

2.2.4 Wollasco Minerals Inc. - ss. 144(1)

Headnote

Section 144 - revocation of cease trade order

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.

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

AND

**IN THE MATTER OF
WOLLASCO MINERALS INC.**

**ORDER
(Subsection 144(1))**

WHEREAS the securities of Wollasco Minerals Inc. ("Wollasco") are subject to a Temporary Order of the Director dated July 21, 2000 made under subsections 127(1)2 and 127(5) of the Act directing that trading in the securities of Wollasco cease, which was extended by the Order of the Director dated August 2, 2000 made under subsection 127(8) of the Act (collectively referred to as the "Cease Trade Order");

AND WHEREAS Wollasco has made application to the Director (the "Director") of the Ontario Securities Commission (the "Commission") pursuant to subsection 144(1) of the Act for an order revoking the Cease Trade Order;

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

AND UPON Wollasco having represented to the Director as follows:

1. Wollasco was incorporated in the Province of Ontario on June 20, 1995.
2. Wollasco became a reporting issuer in the Province of Ontario on December 18, 1997.
3. The authorized capital of Wollasco consists of an unlimited number of common shares of which 14,792,544 were issued and outstanding as at August 25, 2000.
4. On July 21, 2000, the Commission issued a Temporary Order that trading in the securities of Wollasco shall cease due to the failure by Wollasco to file audited annual financial statements for the year ended December 31, 1999 and interim financial statements for the three month period ended March 31, 2000, as

required by the Act. On August 2, 2000, the Commission issued an Order extending the Temporary Order until such time as it is revoked by a further order of revocation.

5. None of the securities of Wollasco are currently listed on a stock exchange. However, prior to the Cease Trade Order being issued, the common shares of Wollasco were traded on the Canadian Dealing Network, a reporting and quotation system for over-the-counter trading in Ontario.
6. Audited annual financial statements for the year ended December 31, 1999 and interim financial statements for the period ending March 31, 2000 were not previously filed with the Commission on a timely basis as a result of financial difficulties.
7. Except for the Cease Trade Order for failure to file financial statements, Wollasco is not in default of any of the continuous disclosure requirements of the Act and the regulation made thereunder.
8. The audited annual financial statements for the year ended December 31, 1999 were filed with the Commission on August 2, 2000 and mailed to holders of Wollasco shares and the interim financial statements for the period ended March 31, 2000 were filed with the Commission on August 10, 2000 and mailed to holders of Wollasco shares.

AND UPON the Director being satisfied that Wollasco has now complied with the continuous disclosure requirements under Part XVIII of the Act and has remedied its default in respect of such requirements;

AND UPON the Director being of the opinion that to do so would not be prejudicial to the public interest;

IT IS ORDERED, pursuant to subsection 144(1) of the Act, that the Cease Trade Order be and is hereby revoked.

September 1st, 2000.

"John Hughes"

2.2.5 Emerging Africa Gold (EAG) Inc. - s. 147

Headnote

Section 147 - Exemption from provisions of article 10.15 OSC Policy 5.2 to permit issuance of compensation warrants to a dealer where less than 1% of the issuer's shares held by Ontario residents.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as amended, ss. 6 and 147

Rules Cited

In the Matter of Certain Trades in Securities of Junior Natural Resource Issuers (1997) 20 O.S.C.B. 1218 (March 1, 1997).

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

AND

**IN THE MATTER OF
EMERGING AFRICA GOLD (EAG) INC.**

**ORDER
(Section 147 of the Act)**

WHEREAS Emerging Africa Gold (EAG) Inc. (the "Corporation") has applied to the Ontario Securities Commission (the "Commission") pursuant to section 147 of the Act (the "Application") for an order of the Commission exempting the issuance by the Corporation of compensation warrants, as described herein, to Wellington West Capital Inc. (the "Agent") from article 10.15 of Commission Policy 5.2 - Junior Natural Resource Issuers ("Policy 5.2"), also a rule entitled *In the Matter of Certain Trades in Securities of Junior Resource Issuers* (1997) 20 O.S.C.B. 1218 (March 1, 1997) (the "Rule");

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

AND UPON the Corporation having represented to the Commission that:

1. The Corporation proposes to issue rights to its shareholders (the "Rights Offering") which permit each shareholder to acquire, in exchange for one right and \$0.0975, one and one half common shares of the Corporation ("Common Shares");
2. The Corporation intends to effect the Rights Offering by prospectus;
3. The registered and head office of the Corporation is located at 2855 Rene Levesque Blvd. West, Suite 2855, Montreal, Quebec, H3B 1S6;
4. The Corporation was incorporated on December 13, 1995 pursuant to Part 1A of the *Companies Act* (Quebec) under the name 9029-0834 Quebec Inc.;

5. The Corporation is authorized to issue an unlimited number of Common Shares, of which 20,398,115 Common Shares are currently issued and outstanding;
6. The Corporation is a reporting issuer in Ontario and Quebec;
7. The Common Shares of the Corporation are traded on the Canadian Dealing Network Inc. ("CDN");
8. The Corporation is not on the list of defaulting reporting issuers maintained pursuant to section 72(9) of the Act;
9. Policy 5.2 provides at article 10.15 that a dealer may obtain a compensation option in connection with an offering by an issuer subject to Policy 5.2 only where the offering is underwritten or guaranteed, and further restricts the exercise period of any such option granted;
10. Policy 5.2 provides at section 10.8 that a dealer may only receive cash compensation or such other compensation as is permitted by Policy 5.2 in connection with an offering by an issuer subject to Policy 5.2;
11. The Corporation wishes to issue 1,000,000 purchase warrants to the Agent in connection with the Rights Offering that will enable the Agent to acquire up to 1,000,000 Common Shares at a price of \$0.065 per Common Share for a period of two years from the date of the Rights Offering (the "Compensation Warrants");
12. Registered shareholders of the Corporation (excluding CDS & Co. Ltd.) resident in Ontario hold approximately 0.41% of the outstanding Common Shares of the Corporation;
13. The issuance of the Compensation Warrants will be effected in accordance with applicable securities laws of Quebec and Manitoba, being the jurisdictions of residence of the Corporation and the Agent, respectively.

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

IT IS ORDERED pursuant to section 147 of the Act that the Corporation is exempt from the requirements of article 10.15 of Policy 5.2 in connection with the issuance of the Compensation Warrants.

August 23rd, 2000.

"Margo Paul"

2.3 Rulings

2.3.1 Emerging Europe Private Equity Fund III, L.P. - s. 74

Headnote

Section 74 - order pursuant to section 74 of the *Securities Act* (Ontario) exempting the general partners of the Fund from the registration requirement under clause 25(1)(c) of the *Securities Act* (Ontario)

Statutes Cited

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

Rules Cited

Ontario Securities Commission Proposed Rule 35-502 "Non-Resident Advisers" (2000) 23 O.S.C.B 4393.

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

AND

**IN THE MATTER OF
EMERGING EUROPE PRIVATE EQUITY FUND III, L.P.**

ORDER

UPON the application (the "Application") of Emerging Europe Private Equity Fund III, L.P. (the "Fund") to the Ontario Securities Commission (the "Commission") for a order pursuant to section 74 of the Act exempting the general partners of the Fund (the "General Partners") from the registration requirement under clause 25(1)(c) of the Act;

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

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

1. The Fund is a Cayman Islands exempted limited partnership whose objective is to achieve long-term capital appreciation through investments primarily in equity and equity-related securities of issuers based in or with significant operations in emerging European countries such as Poland, Hungary and the Czech Republic;
2. Each of the General Partners is a Cayman Islands exempted company;
3. The General Partners will be responsible for all aspects of operating and managing the Fund, including investment decisions, monitoring investments and administrative activities.
4. Neither of the General Partners is registered as a dealer or adviser in Ontario;

5. The Fund is offering limited partnership interests in the Fund (the "Interests") to investors in the United States and internationally on a private placement basis.
6. The offering will be extended to investors in the provinces of Ontario, Québec, British Columbia, Alberta, Saskatchewan and Manitoba (the "Private Placement Provinces");
7. It is anticipated that fewer than 10% of the Interests will be offered or sold to purchasers in the Private Placement Provinces;
8. The Fund will engage a fully-registered dealer, CIBC World Markets Inc. (the "Canadian Placement Agent"), as its exclusive agent with respect to offers and sales of the Interests in the Private Placement Provinces.
9. The Canadian Placement Agent is an affiliate of one of the General Partners, CIBC Emerging Europe Ventures;
10. The confidential private placement memorandum used by the Fund in connection with the offering of the Interests in the Private Placement Provinces includes notification in bold face type of the relationship between the Canadian Placement Agent and one of the General Partners, and disclosure regarding the potential for conflicts of interest between the General Partners and their affiliates and the Fund.
11. Although the Interests are being offered primarily abroad and are only being distributed in Ontario through a registered dealer on a private placement basis, the General Partners are unable to rely on an exemption from the registration requirement under clause 25(1)(c) of the Act and paragraph 3 of Part II of the International Adviser Rule, because the Canadian Placement Agent is an affiliate of a principal distributor or manager of the Fund.
12. The Commission has published a proposed rule (Rule 35-502 – International Advisers) (the "Proposed Rule") which would supercede the International Adviser Rule.
13. The Proposed Rule would maintain the existing registration exemption for advisers of privately placed investment funds which are offered primarily abroad, but would remove the requirement that the registered dealer offering the securities in Ontario be independent of the investment fund.
14. If the Proposed Rule were in force, the offering of the Interests would meet the conditions set forth in section 7.10 of the Proposed Rule and the General Partners would have an available exemption from the adviser registration requirement under Ontario securities law.

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

IT IS ORDERED, pursuant to section 74 of the Act, that the General Partners are exempt from the requirements of

• Decisions, Orders and Rulings

- clause 25(1)(c) of the Act in respect of advising the Fund provided that 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.

September 12th, 2000.

"J. A. Geller"

"K. D. Adams"

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Chapter 3

Reasons: Decisions, Orders and Rulings

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IN THIS ISSUE

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Chapter 4

Cease Trading Orders

4.1.1 Rescinding Cease Trade Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
Wollasco Minerals Inc.	July 21/2000	---	---	Sept 1/2000

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Chapter 5

Rules and Policies

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Chapter 6

Request for Comments

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service 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>
04Aug00	A&B Geoscience Corporation - Common Shares	709,562	2,534,150
10Aug00	Acuity Pooled Canadian Equity Fund - Units	151,826	7,510
02Aug00	Acuity Pooled Canadian Equity Fund - Trust Units	217,752	10,964
15Aug00	Acuity Pooled Balanced Fund - Trust Units	200,000	13,147
15Aug00	Acuity Pooled Global Equity Fund - Trust Units	158,000	7,663
15Aug00	Acuity Pooled Canadian Equity Fund - Trust Units	181,622	8,772
11Aug00	BPI American Opportunities Fund - Units	1,851,967	12,266
18Aug00	BPI American Opportunities Fund - Units	1,784,369	11,744
14Jul00	BPI American Opportunities Fund - Units	1,561,486	10,268
21Jul00	BPI American Opportunities Fund - Units	1,884,310	12,406
05Jun00	Burgundy European Equity Fund - Units	206,000	20,408
26Jun00	Burgundy European Equity Fund - Units	350,000	35,342
21Aug00	Burgundy Japan Fund - Units	170,000	9,137
01Jun00 to 21Aug00	Burgundy Small Cap Value Fund - Units	700,000	21,672
21Aug00	Burgundy Smaller Companies Fund - Units	150,000	9,847
28Aug00	Cogency Semiconductor Inc. - Class B Shares	29,680,539	8,005,000
08Aug00	Consolidated Fortress Resources Inc. - Units	462,500	1,250,000
24Aug00	Defiant Energy Corporation - Common Shares	100,000	100,000
10Aug00	Dorchester Road (Charleston) Associates Limited Partnership - Limited Partnership Units	20,000	20,000
15Aug00	Equity International Investment Trust - Units	1,816	1,073
21Aug00	Fairfield Minerals Ltd. - Units	450,000	1,000,000
11Aug00	Flowing Energy Corporation - Flow-Through Common Shares	30,000	60,000
11Aug00	futureshop.com Ip - Limited Partnership Units	1,054,000	105,400
22Aug00	Global Thermoelectric Inc. - Special Warrants	82,513,650	2,391,700
12Jan00	H2MG, Inc. - Series A Preferred Stock	1,676,470	1,150,000
29Aug00	I NET-FI INC. - Convertible Debentures	425,000	1
15Aug00	Kingwest Avenue Portfolio - Units	1,212,267	63,578

Notice of Exempt Financings

<u>Trans. Date</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
22Aug00	Narrowcast Communications Corp. - Class B Preferred Stock, Series 1 & 2 Class C Preferred Stock	US\$3,187,500, US\$414,150 & US\$2,000,000	637,500, 82,830 & 400,000 Resp.
28Aug00	Norgen Communications Group Inc. - Class A Shares	4,319,781	630,625
18Aug00	Prism Equities Inc. - Units	281,250	281,250
21Jul00	Sentinel Hill Alliance Atlantis Equicap Millenium Limited Partnership - Limited Partnership Units	8,956,736	559
27Jul00	Sentinel Hill Alliance Atlantis Equicap Millenium Limited Partnership - Limited Partnership Units	13,131,600	820
29Aug00	Sepritech Systems Incorporated - Convertible Debentures	400,000	2
24May00	SI Corporation - Common Stock	43,000	21,500
23Aug00	Silicon Acquisition Inc. - Common Shares	120,000	400,000
22Aug00	Stroud Resources Ltd. - Common Shares	857,142	857,142
31Jul00	Twenty First Century International Equity Fund - Units	150,000	18,054
31Jul00	Twenty First Century International Equity Fund - Units	150,000	18,054
31Jul00	Twenty First Century International Equity Fund - Units	100,000	12,036
31Jul00	Twenty First Century Canadian Equity Fund - Units	50,000	7,681
31Jul00	Twenty First Century American Equity Fund - Units	50,000	8,844
25Jul00	Virtek Vision International Inc. - Common Shares	4,461,600	1,120,599
21Jul00	Wescam Inc. - Common Shares	1,287,000	1,287,000

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

<u>Seller</u>	<u>Security</u>	<u>Amount</u>
Duat Investments Ltd.	Active Control Technology Inc. - Common Shares	300,000
Shneer, David	Advantagedge International Inc. - Subordinate Voting Shares	300,000
Black, Conrad M.	Hollinger Inc. - Series II Preference Shares	1,611,039
Xentolith Gold Limited	Kookaburra Resources Ltd. -	1,360,124
Oncan Canadian Holdings Ltd.	Onex Corporation - Subordinate Voting Shares	984,800
Carten, Michael	Sustainable Energy Technologies Ltd. - Common Shares and Stock Options	3,949,679, 60,000 Resp.
Hawkins, Stanley G.	Tandem Resources Ltd. - Common Shares	2,000,000

Chapter 9
Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER
IN THIS ISSUE

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Acuity Social Values Canadian Equity Fund
Acuity All Cap 30 Canadian Equity Fund
Acuity Global Environment, Science and Technology Fund
Acuity Social Values Global Equity Fund
Acuity Canadian Equity Fund
Clean Environment Equity Fund
Acuity Global Equity Fund
Clean Environment International Equity Fund
Acuity G7 RSP Equity Fund
Acuity Canadian Balanced Fund
Clean Environment Balanced Fund
Acuity High Income Fund
Acuity Bond Fund
Acuity Money Market Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated September 5th, 2000
Mutual Reliance Review System Receipt dated September 7th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

Acuity Funds Ltd.

Promoter(s):

Acuity Funds Ltd.

Project #296132

Issuer Name:

AIM Global Fund Inc - AIM Short-Term Income Class
AIM Canadian Balanced Fund
AIM Global Growth & Income Fund
AIM Canada Fund Inc. - AIM Canada Growth Class
AIM Canada Fund Inc. - AIM Canada Income Class
AIM Canada Fund Inc. - AIM Canada Value Class
AIM Canadian Premier Fund
AIM American Blue Chip Growth Fund (Formerly AIM American Premier Fund)
AIM Global Fund Inc. - AIM European Growth Class
AIM European Growth Fund
AIM Global Fund Inc. - AIM Global Aggressive Growth Class
AIM Global Fund Inc. - AIM Global Theme Class
AIM Global Fund Inc. - AIM International Growth Class
AIM Global Fund Inc. - AIM Dent Demographic Trends Class
AIM Global Fund Inc. - AIM Global Financial Services Class
AIM Global Fund Inc. - AIM Global Health Sciences Class
AIM Global Health Sciences Fund
AIM Global Fund Inc. - AIM Global Technology Class
AIM Global Technology Fund
AIM Global Fund Inc. - AIM Global Telecommunications Class
AIM RSP American Blue Chip Growth Fund (Formerly AIM RSP American Premier Fund)
AIM RSP Dent Demographic Trends Fund
AIM RSP European Growth Fund
AIM RSP Global Health Sciences Fund
AIM RSP Global Technology Fund
AIM RSP Global Telecommunications Fund
AIM RSP Global Theme Fund
AIM RSP International Growth Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated September 8th, 2000
Mutual Reliance Review System Receipt dated September 13th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

AIM Funds Management Inc.

Promoter(s):

AIM Funds Management Inc.

Project #297010

Issuer Name:

BMO AIR MILES Money Market Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated September 6th, 2000
Mutual Reliance Review System Receipt dated September 11th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

BMO Investments Inc.

Promoter(s):

BMO Investments Inc.

Project #296620

Issuer Name:

BMO Short-Term Income Class
BMO Global Balanced Class
BMO Global Opportunities Class
BMO Global Financial Services Class
BMO Global Health Sciences Class
BMO Global Technology Class
BMO Global Bond Fund
BMO RSP Global Balanced Fund
BMO RSP Global Opportunities Fund
BMO RSP Global Financial Services Fund
BMO RSP NASDAQ Index Fund
BMO RSP Global Health Sciences Fund
BMO RSP Global Technology Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated September 7th, 2000
Mutual Reliance Review System Receipt dated September 11th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

BMO Investments Inc.

Promoter(s):

BMO Investments Inc.

Project #296892

Issuer Name:

Enerplus Resources Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated September 11th, 2000
Mutual Reliance Review System Receipt dated September 11th, 2000

Offering Price and Description:

\$34,650,000 - 1,500,000 Trust Units

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

CIBC World Markets Inc.
Merrill Lynch Canada Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Desjardins Securities Inc.

Promoter(s):

N/A

Project #297148

Issuer Name:

GIS Global Imaging Solutions Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated September 8th, 2000
Mutual Reliance Review System Receipt dated September 12th, 2000

Offering Price and Description:

\$6,000,000 - 6,000,000 Common Shares issuable upon the exercise of Special Warrants

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

N/A

Promoter(s):

N/A

Project #297166

Issuer Name:

Inzeco Holdings Inc.

Type and Date:

Preliminary Prospectus dated September 6th, 2000
Received September 7th, 2000

Offering Price and Description:

4,033,333 Common Shares to be issued upon exercise of 4,033,333 Special Warrants

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

Paradigm Capital Inc

Promoter(s):

Warren Arseneau

Project #296322

Issuer Name:

JetForm Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated September 12th, 2000
Mutual Reliance Review System Receipt dated September 13th, 2000

Offering Price and Description:

\$ * - * Common Shares

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

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

Promoter(s):

N/A

Project #297515

Issuer Name:

MDS Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated September 7th, 2000
Mutual Reliance Review System Receipt dated September 7th, 2000

Offering Price and Description:

\$198,250,000 - 3,250,000 Common Shares

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

RBC Dominion Securities Inc.
HSBC Securities (Canada) Inc.
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
Canaccord Capital Corporation
Yorkton Securities Inc.

Promoter(s):

N/A
Project #296570

Issuer Name:

Marine Mining Corp.

Type and Date:

Preliminary Prospectus dated September 8th, 2000
Received September 12th, 2000

Offering Price and Description:

\$ * - Rights to Subscribe for 8,991,919 Common Shares

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

N/A

Promoter(s):

N/A
Project #297343

Issuer Name:

Perigee Axis Cash Fund
Perigee T-Plus Fund
Perigee Reserve Plus Fund
Perigee Income Fund
Perigee Index Plus Bond Fund
Perigee Active Bond Fund
Perigee Global Bond Fund
Perigee Accufund
Perigee Symmetry Balanced Fund
Perigee Diversifund
Perigee Canadian Value Equity Fund
Perigee Canadian Sector Equity Fund
Perigee North American Equity Fund
Perigee U.S. Equity Fund
Legg Mason U.S. Value Fund
Perigee Global Equity Fund
Perigee International Equity Fund
Perigee Canadian Aggressive Growth Equity Fund
Perigee Private Client Bond Portfolio
Perigee Private Client Balanced Portfolio
Perigee Private Client Canadian Equity Portfolio
Perigee Private Client U.S. Equity Portfolio
Perigee Private Client International Portfolio
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated August 31st, 2000
Mutual Reliance Review System Receipt dated September 6th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

Perigee Investment Counsel Inc.

Promoter(s):

Perigee Investment Counsel Inc.
Project #295420

Issuer Name:

PrimeWest Energy Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated September 8th, 2000
Mutual Reliance Review System Receipt dated September 8th, 2000

Offering Price and Description:

\$35,070,000 - 4,200,000 Trust Units

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

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

Promoter(s):

PrimeWest Energy Trust
PrimeWest Management Inc.
Project #296917

Issuer Name:

Softchoice Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated September 8th, 2000
Mutual Reliance Review System Receipt dated September 8th, 2000

Offering Price and Description:

\$ * - * Common Shares

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

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.

Promoter(s):

N/A

Project #296800

Issuer Name:

Westport Innovations Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated September 7th, 2000
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Offering Price and Description:

\$35,014,500 - 2,259,000 Common Shares

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

TD Securities Inc.
Goepel McDermid Inc.
Yorkton Securities Inc.
Research Capital Corporation

Promoter(s):

N/A

Project #296644

Issuer Name:

CT Private Canadian Corporate Bond Fund (Formerly CT Private Canadian Short Term Bonds Fund)
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated September 8th, 2000 to Simplified Prospectus and Annual Information Form dated January 28th, 2000
Mutual Reliance Review System Receipt dated 13th day of September, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

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

CT Investment Management Group Inc.

Promoter(s):

CT Investment Management Group Inc.

Project #219028

Issuer Name:

Industrial American Fund
Industrial Mortgage Securities Fund
Industrial Yield Advantage Fund
Principal Regulator - Ontario

Type and Date:

Amendment #3 dated September 1st, 2000 to Simplified Prospectus and Annual Information Form dated October 19th, 1999

Mutual Reliance Review System Receipt dated 12th day of September, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

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

Registered Dealer

Promoter(s):

Mackenzie Financial Corporation

Project #192402

Issuer Name:

Sentry Select Canadian Energy Growth Fund
Sentry Select Real Estate Securities Fund
Sentry Select Precious Metals Growth Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated September 8th, 2000 to Simplified Prospectus and Annual Information Form dated December 20th, 1999

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Offering Price and Description:

Mutual Fund Units - Net Asset Value

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

Sentry Select Capital Corp.

Promoter(s):

Sentry Select Capital Corp.

Project #220895

Issuer Name:

Dynetek Industries Ltd.
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated September 8th, 2000
Mutual Reliance Review System Receipt dated 11th day of September, 2000

Offering Price and Description:

\$* - * Common Shares

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

CIBC World Markets Inc.
Yorkton Securities Inc.
Research Capital Corporation
Canaccord Capital Corporation
Dundee Securities Corporation
Pacific International Securities Inc.

Promoter(s):

N/A

Project #256424

Issuer Name:

Pacific Rim Mining Corp.
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated August 24, 2000
Mutual Reliance Review System Receipt dated 25th day of August, 2000

Offering Price and Description:

\$7,329,492.50 - 1,707,530 Units issuable upon the exercise of 1,707,530 previously issued Special Warrants

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

Haywood Securities Inc.
Canaccord Capital Corporation
Loewen, Ondaatje, McCutcheon Limited

Promoter(s):

N/A
Project #284371

Issuer Name:

Total Energy Services Ltd.
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated September 5th, 2000
Mutual Reliance Review System Receipt dated 7th day of September, 2000

Offering Price and Description:

Up to \$5,502,000 - Up to 5,240,000 Units

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

Dundee Securities Corporation
National Bank Financial Inc.
Peters & Co. Limited

Promoter(s):

Project #286560

Issuer Name:

Algonquin Power Income Fund
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated September 12th, 2000
Mutual Reliance Review System Receipt dated 13th day of September, 2000

Offering Price and Description:

\$27,450,000.00 - 3,000,000 Trust Units

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

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

Promoter(s):

N/A
Project #295478

Issuer Name:

Cogeco Cable Inc.
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated September 5th, 2000
Mutual Reliance Review System Receipt dated 5th day of September, 2000

Offering Price and Description:

\$100,000,000.00 - 2,500,000 Subordinate Voting Shares

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

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

Promoter(s):

N/A
Project #292924

Issuer Name:

EnerMark Income Fund
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated August 30, 2000
Mutual Reliance Review System Receipt dated 30th day of August, 2000

Offering Price and Description:

\$100,050,000 - 23,000,000 TRUST UNITS

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

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation
Goepel McDermid Inc.
Jennings Capital Inc.

Promoter(s):

N/A
Project #290846

Issuer Name:

Gaz Métropolitain, inc.
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated September 8th, 2000
Mutual Reliance Review System Receipt dated 8th day of September, 2000

Offering Price and Description:

\$250,000,000.00 - Series I First Mortgage Bonds

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

Registered Dealer

Promoter(s):

N/A
Project #292228

Issuer Name:

SNC - Lavalin Group Inc.
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated September 11th, 2000
Mutual Reliance Review System Receipt dated 12th day of
September, 2000

Offering Price and Description:

\$105,000,000 - 7.70% Debentures due 2010 (unsecured)

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

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

Promoter(s):

N/A

Project #292435

Issuer Name:

@rgentum Short Term Asset Portfolio
@rgentum Income Portfolio
@rgentum Canadian Equity Portfolio
@rgetum Canadian Performance Portfolio
@rgentum U.S. Master Portfolio
@rgentum International Master Portfolio
@rgentum Discovery Portfolio
Principal Regulator - Quebec

Type and Date:

Final Simplified Prospectus and Annual Information Form
dated September 1st, 2000
Mutual Reliance Review System Receipt 5th day of
September, 2000

Offering Price and Description:

N/a

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

Registered Dealers

Promoter(s):

@rgentum Management
Research Corporation

Project #265146

Issuer Name:

Royal Canadian Bond Index Fund
Royal Canadian Index Fund
Royal Premium Canadian Index Fund
Royal U.S. Index Fund
Royal Premium U.S. Index Fund
Royal U.S. RSP Index Fund
Royal International RSP Index Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form
dated September 8th, 2000
Mutual Reliance Review System Receipt dated 11th day of
September, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

Royal Mutual Funds Inc.

Promoter(s):

Royal Mutual Funds Inc.

Project #279849

Issuer Name:

Spectrum Canadian Money Market Fund (formerly, Spectrum
United Canadian Money Market Fund)
Spectrum US Dollar Money Market Fund (formerly, Spectrum
United U.S. Dollar Money Market Fund)
Spectrum Short-Term Bond Fund (formerly, Spectrum United
Short-Term Bond Fund)
Spectrum Mid-Term Bond Fund (formerly, Spectrum United
Mid-Term Bond Fund)
Spectrum Long-Term Bond Fund (formerly, Spectrum United
Long-Term Bond Fund)
Spectrum Global Bond Fund (formerly, Spectrum United
Global Bond Fund)
Spectrum RRSP International Bond Fund (formerly, Spectrum
United RRSP International Bond Fund)
Spectrum Dividend Fund (formerly, Spectrum United Dividend
Fund)
Spectrum Canadian Equity Fund (formerly, Spectrum United
Canadian Equity Fund)
Spectrum Canadian Growth Fund (formerly, Spectrum United
Canadian Growth Fund)
Spectrum Canadian Investment Fund (formerly, Spectrum
United Canadian Investment Fund)
Spectrum Canadian Resource Fund (formerly, Spectrum
United Canadian Resource Fund)
Spectrum Canadian Small-Mid Cap Fund (formerly, Spectrum
United Canadian Small-Mid Cap Fund)
Spectrum Canadian Stock Fund (formerly, Spectrum United
Canadian Stock Fund)
Spectrum RRSP American Growth Fund (formerly, Spectrum
United RRSP American Growth Fund)
Spectrum RRSP European Growth Fund
Spectrum RRSP Global Growth Fund (formerly, Spectrum
United RRSP Global Growth Fund)
Spectrum RRSP World Growth Managers Fund
Spectrum RRSP Global Financial Services Fund
Spectrum RRSP Global Health Sciences Fund
Spectrum RRSP Global Telecommunications Fund (formerly,
Spectrum United RRSP Global Telecommunications Fund)
Spectrum Asset Allocation Fund (formerly, Spectrum United
Asset Allocation Fund)
Spectrum Diversified Fund (formerly, Spectrum United
Diversified Fund)
Spectrum Global Diversified Fund (formerly, Spectrum United
Global Diversified Fund)
Spectrum American Equity Fund (formerly, Spectrum United
American Equity Fund)
Spectrum American Growth Fund (formerly, Spectrum United
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Spectrum European Growth Fund (formerly, Spectrum United
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• Spectrum Global Health Sciences Fund
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Spectrum Canadian Conservative Portfolio (formerly,
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Spectrum Canadian Balanced Portfolio (formerly, Spectrum
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Spectrum Canadian Growth Portfolio (formerly, Spectrum
United Canadian Growth Portfolio)
Spectrum Canadian Maximum Growth Portfolio (formerly,
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Portfolio)
Spectrum Global Growth Portfolio (formerly, Spectrum United
Global Growth Portfolio)

Type and Date:

Final Simplified Prospectus and Annual Information Form
dated August 30th, 2000

Mutual Reliance Review System Receipt dated 12th day of
September, 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 #280791

Issuer Name:

GT Group Telecom Inc.

Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated March 23rd, 2000

Withdrawn 25th day of August, 2000

Offering Price and Description:

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

N/A

Promoter(s):

N/A

Project #249173

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Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
New Registration	Fiduciary International, Inc. Attention: Kenneth G. Ottenbreit c/o 152928 Canada Inc. 5300 Commerce Court West 199 Bay Street Toronto, ON M5L 1B9	International Adviser Investment Counsel & Portfolio Manager	Sept 8/00
New Registration	J.C. Hood Investment Counsel Inc. Attention: John Charles Hood 23 Windy Ridge Drive Toronto, ON M1M 1H6	Investment Counsel & Portfolio Manager	Sept 12/00

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SRO Notices and Disciplinary Proceedings

13.1 SRO Notices and Disciplinary Decisions

13.1.1 CDN Dealing Network Inc. - Canadian Unlisted Board (CUB) OTC System - Technical Requirements

NOTICE TO USERS
NO. 2000-005
September 5, 2000

CANADIAN DEALING NETWORK INC.

Canadian Unlisted Board (CUB) OTC System - Technical Requirements

Further to CDN Notice to Users 2000-004, the following outlines technical specifications for access to the CUB OTC System. All users will require the following:

- Personal Computer (PC)
- Access to the world wide web via a web browser, e.g. Netscape or Internet Explorer
 - The URL address is <http://www.cub.ca>
 - IP address is 204.239.236.170; Port 80

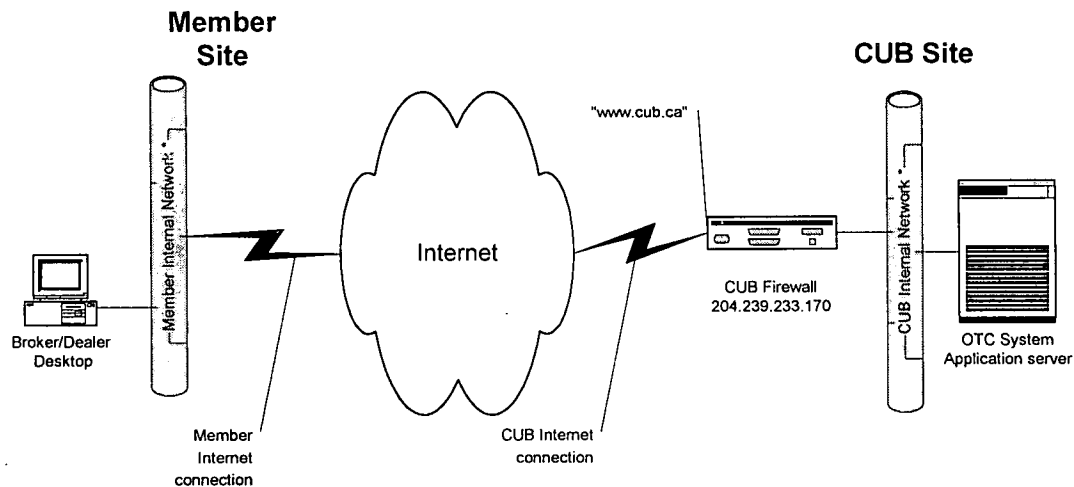
Member PCs will access the OTC system via the Internet at www.cub.ca. The member PCs require no specialized application software other than a web browser. The link to the OTC system is a secure connection initiated by the trader to the OTC system application server.

The OTC system is included in a business continuity program. In the event of a disaster, the operation will be restored at a backup site within 48 hours. The network switchover to the backup site will be transparent to the OTC system users; no changes would be required to the member PCs.

Further information will be issued within the coming weeks regarding user ID's and passwords, documentation, and training sessions.

Should you have any questions, please do not hesitate to contact Kathy Gerry at kgerry@cdnx.ca or phone 604-602-6952.

OTC System
Network
Diagram



13.1.2 Canadian Dealing Network Inc. - Canadian Unlisted Board (CUB) OTC System - Requirements for Access

NOTICE TO USERS
NO. 2000-006
September 11, 2000

CANADIAN DEALING NETWORK INC.

**Canadian Unlisted Board (CUB) OTC System –
Requirements for Access**

As previously announced, trading in:

- (i) unquoted securities currently reported to the Canadian Dealing Network ("CDN"); and
- (ii) securities of quoted CDN companies which choose not to transfer to Tier 3 of the Canadian Venture Exchange ("CDNX");

is scheduled to commence being reported to the Canadian Unlisted Board Inc. ("CUB") on October 10, 2000. CDN is scheduled to cease operations on September 29, 2000 in respect of quoted securities, and on October 6, 2000 in respect of unquoted (reported) securities.

The proposals for the carrying on of business by CDNX in Ontario, the ceasing of operations by CDN and the transfer of trade reporting in CDN securities to new trading systems have been published for comment by the Ontario Securities Commission in the September 1, 2000 edition of the OSC Bulletin. Accordingly, the proposals (and consequently the timing outlined in this notice) are subject to final regulatory approvals.

Notwithstanding the need for final regulatory approval from the Ontario Securities Commission, given the fast-approaching dates of the intended transfer of trading in CDN securities to new trading systems, and in particular the transfer of unlisted trade reporting to CUB, CUB is requesting that all CDN Users complete and file certain documentation required to gain access to the CUB OTC trade reporting system. Accordingly, attached are the following materials relating to the reporting of trading in unlisted securities to CUB:

- (i) copy of the OSC Notice regarding the transfer of unlisted trade reporting to CUB;
- (ii) CUB User Agreement in duplicate, with the OTC trading terms attached; and
- (iii) OTC User Employee Access Request Form.

Copies of the attachments referred to in the following notice may be obtained by contacting:

Radhika Joseph
Canadian Dealing Network
(416) 860-4110

The attachments referred to in the notice were also published in the September 1, 2000 edition of the OSC Bulletin.

REQUIREMENTS FOR ACCESS

In order to gain access to the CUB system and report trading in over-the-counter securities in compliance with Ontario securities law, all CDN Users (and any other Ontario registrants trading in unlisted securities) are required to:

- (i) have both copies of the **CUB User Agreement** attached to this notice signed on page 5 by a duly authorized signing officer of the registrant and returned by mail or courier to:

Canadian Unlisted Board Inc.
4th Floor
609 Granville Street
PO Box 10333
Vancouver, British Columbia
V7Y 1H1

Attention: Merv Kuhn

and;

- (ii) fax the **OTC User Employee Access Request Form** to:

Canadian Unlisted Board Inc.
Fax No. (604) 689-1993

Attention: Merv Kuhn

One fully executed copy of the CUB User Agreement will be returned to you for your files upon execution by CUB.

Note that the CUB User Agreement is one of the documents that has been published by the Ontario Securities Commission for comment, and it is therefore possible that the form of the agreement will change and will require re-execution by Users. The document is being circulated for execution at this time despite this possibility given the imminent nature of the scheduled launch of CUB. **In this regard, Users' cooperation in the immediate return of the documents outlined above is requested in order to enable access to the CUB system in time for the October 10, 2000 scheduled launch date.**

FURTHER INFORMATION

General Information

If you have any general questions regarding the transfer of CDN securities to CDNX, please contact:

Kevan Cowan
Director, CDN / CDNX Vice President, Toronto
(416) 860-4101

SRO Notices and Disciplinary Decisions

Unquoted CDN Securities and CUB

If you have any questions regarding the transfer of unquoted CDN securities to CUB or the operation of CUB, please contact one of the following:

Dale Boyd
CDNX Manager, Trading Services
(604) 602-6921

Marc Foreman
CDNX Vice President, Trading Services
(604) 602-6920

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Chapter 25
Other Information

THERE IS NO MATERIAL FOR THIS CHAPTER
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