

The Ontario Securities Commission

OSC Bulletin

October 13, 2000

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

The Ontario Securities Commission

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

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Chapter 1

Notices / News Releases

1.1. Notices

SCHEDULED OSC HEARINGS

1.1.1 Current Proceedings Before The Ontario Securities Commission

October 13, 2000

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
 Ontario Securities Commission
 Cadillac Fairview Tower
 Suite 1700, Box 55
 20 Queen Street West
 Toronto, Ontario
 M5H 3S8

Telephone: 416-597-0681 Telecopiers: 416-593-8348

CDS TDX 76

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

THE COMMISSIONERS

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

Date to be announced		Amalgamated Income Limited Partnership and 479660 B.C. Ltd.
		s. 127 & 127.1 Ms. J. Superina in attendance for staff.
		Panel: TBA
Date to be announced		2950995 Canada Inc., 153114 Canada Inc., Micheline Charest and Ronald A. Weinberg
		s. 127 Ms. S. Oseni in attendance for staff.
		Panel: HIW / MPC / RSP

Oct 23/2000 10:00 a.m.		Southwest Securities Inc.
		ss. 127(1) and 127.1 Mr. T. Moseley in attendance for staff.
		Panel: TBA
Nov20/2000 10:00 a.m.		Wayne S. Umetsu
		s. 60, CFA Ms. K. Wootton in attendance for staff.
		Panel: TBA

Apr16/2001- Apr 30/2001 10:00 a.m.		Philip Services Corp., Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey, Colin Soule, Robert Waxman and John Woodcroft
		s. 127 Ms. K. Manarin & Ms. K. Wootton in attendance for staff.
		Panel: TBA

May 7/2001
10:00 a.m.

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

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

Panel: 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

PROVINCIAL DIVISION PROCEEDINGS

2950995 Canada Inc., 153114 Canada Inc., Robert Armstrong, Jack Austin, Suzanne Ayscough, Mary Bradley, Gustavo Candiani, Patricia Carson, Stephen Carson, Lucy Caterina, Micheline Charest, Mark Chernin, Alison Clarke, Susannah Cobbold, Marie-Josée Corbeil, Janet Dellosa, François Deschamps, Marie-Louise Donald, Kelly Elwood, David Ferguson, Louis Fournier, Jean Gauvin, Jeffrey Gerstein, Benny Golan, Menachem Hafsari, Amir Halevy, Jerry Hargadon, Karen Hilderbrand, Jorn Jessen, Bruce J. Kaufman, Mohamed Hafiz Khan, Kathy Kelley, Phillip Kelley, Lori Evans Lama, Patricia Lavoie, Michael Légaré, Pierre H. Lessard, Carol Lobissier, Raymond McManus, Michael Mayberry, Sharon Mayberry, Peter Moss, Mark Neiss, Gideon Nimoy, Hasanain Panju, Andrew Porporino, Stephen F. Reitman, John Reynolds, Mario Ricci, Louise Sansregret, Cassandra Schafhausen, Andrew Tait, Lesley Taylor, Kim M. Thompson, Daniel Tierney, Barrie Usher, Ronald A. Weinberg, Lawrence P. Yelin and Kath Yelland

Date to be announced

Michael Cowpland and M.C.J.C. Holdings Inc.

s. 122
Ms. M. Sopinka in attendance for staff.

Ottawa

Oct 11/2000
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

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

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

Jan 29/2001 -
Feb 2/2001
Apr 30/2001 -
May 7/2001
9:00 a.m.

Einar Bellfield

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

Courtroom C, Provincial
Offences Court
Old City Hall, Toronto

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

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 - 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

Please Place your
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)

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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:

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

Please Place your
Business Card Here

Tuesday, October 31, 2000 • Ottawa

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)

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 • Sudbury

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 GAAS.
- **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

Please Place your Business Card Here

1.1.3 Toronto Futures Exchange - Voluntary Surrender of Registration under Section 19 of the *Commodity Futures Act*

**TORONTO FUTURES EXCHANGE
VOLUNTARY SURRENDER OF REGISTRATION UNDER
SECTION 19 OF THE *COMMODITY FUTURES ACT***

On October 10, 2000, the Commission accepted the voluntary surrender by the Toronto Futures Exchange of its registration under section 19 of the *Commodity Futures Act*. The application filed by the TFE was published on December 24, 1999 at (1999), 22 OSCB 8488. The order signed by a panel of Commissioners is published in Chapter 13 of the Bulletin.

1.1.4 OSC Staff Notice - Processing Prospectuses Before Year-End

**OSC STAFF NOTICE
PROCESSING PROSPECTUSES BEFORE YEAR-END**

As in previous years, Commission staff wishes to advise that there can be no assurance that the review of a long form prospectus will be completed and the necessary receipt issued before December 31, 2000 if the preliminary prospectus is not filed on or before November 1, 2000.

Similarly, a preliminary prospectuses filed for a new mutual fund should be filed before November 1, 2000 to receive a receipt for the new mutual fund's prospectus before year end. Pro forma prospectuses for existing mutual funds must be filed within the time periods set by securities legislation.

Any concerns resulting from the foregoing or any scheduling concerns in respect of any prospectus should be brought to Commission staff's attention as soon as possible.

For further information contact:

Paul Dempsey
Assistant Manager/Senior Legal Counsel
Investment Funds, Capital Markets
(416)593-8091

Margo Paul
Manager, Corporate Finance
(416)593-8136

Iva Vranic
Manager, Corporate Finance
(416)593-8115

**1.1.5 Recognition of Certain Stock Exchanges -
s. 154(1) of the Regulation**

IN THE MATTER OF REGULATION MADE UNDER THE
SECURITIES ACT, R.S.O. 1990, CHAPTER c.S. 5, AS
AMENDED, R.R.O. 1990,
Reg.1015 AS AMENDED (THE "Regulation")

AND

IN THE MATTER OF
THE RECOGNITION OF CERTAIN STOCK EXCHANGES

ORDER
(section 154(1) of the Regulation)

WHEREAS the Commission appointed the Canadian
Unlisted Board ("CUB") an agent to operate an over-the-
counter trade reporting facility pursuant to section 153 of the
Regulation;

AND WHEREAS CUB operates a facility for the
reporting of over-the-counter trading as contemplated by Part
VI of the Regulation;

AND WHEREAS Part VI of the Regulation requires that
every purchase or sale of a security made by a registered
dealer must be reported to the trade reporting facility except
those trades made through a Canadian stock exchange or a
stock exchange or organized market recognized by the
Commission;

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

THE COMMISSION HEREBY RECOGNIZES, pursuant
to s.154(1) of the Regulation, the following stock exchanges
and organized markets for the purpose of excluding trades
executed on such stock exchanges and organized markets
from the trade reporting requirements of Part VI:

- (a) NASDAQ;
- (b) The International Stock Exchange of the United
Kingdom and the Republic of Ireland Limited; and
- (c) all stock exchanges outside of Canada that require
participants to report details of transactions and publish
such details.

DATED October 6th, 2000.

"Morley P. Carscallen"

" Robert W. Korthals"

**1.1.6 Notice of Commission Approval of Rule 54-
501 Prospectus Disclosure in Certain
Information Circulars**

NOTICE OF COMMISSION APPROVAL OF
RULE UNDER THE SECURITIES ACT
RULE 54-501 PROSPECTUS DISCLOSURE
IN CERTAIN INFORMATION CIRCULARS

The Commission is publishing in today's Bulletin Rule 54-501
Prospectus Disclosure in Certain Information Circulars.

The Notice and Rule are published in Chapter 5 of the Bulletin.

1.1.7 Notice of Commission Approval of Rule 31-506 SRO Membership - Mutual Fund Dealers

**ONTARIO SECURITIES COMMISSION
RULE 31-506 SRO MEMBERSHIP - MUTUAL FUND
DEALERS**

On October 10, 2000, the Commission approved Ontario Securities Commission Rule 31-506 SRO Membership - Mutual Fund Dealers (the "Rule"). The Rule was published for comment on October 3, 1997 at (1997) 20 OSCB 5051, June 19, 1998 at (1998) 21 OSCB 3875 and June 16, 2000 at (2000) 23 OSCB (Supp.) 163.

The Rule was sent to the Minister on October 12, 2000. The Rule is being published in Chapter 5 of the Bulletin.

1.1.8 Notice of National Instrument, Forms, and Companion Policy

**NOTICE OF
NATIONAL INSTRUMENT 44-101 SHORT FORM
PROSPECTUS DISTRIBUTIONS, FORM 44-101F1, FORM
44-101F2, FORM 44-101F3,
COMPANION POLICY 44-101CP
AND
NATIONAL INSTRUMENT 44-102 SHELF
DISTRIBUTIONS,
COMPANION POLICY 44-102CP
AND
NATIONAL INSTRUMENT 44-103 POST-RECEIPT
PRICING,
COMPANION POLICY 44-103CP**

The Commission is publishing in today's Bulletin:

- National Instrument 44-101 Short Form Prospectus Distributions (including Appendix A Consent to Collection of Personal Information, Appendix B Issuer Form of Submission to Jurisdiction and Appointment of Agent for Service of Process and Appendix C Non-Issuer's Form of Submission to Jurisdiction and Appointment of Agent for Service of Process), related forms (specifically, Form 44-101F1 AIF, Form 44-101F2 MD&A and Form 44-101F3 Short Form Prospectus), Companion Policy 44-101CP and the related Notice;
- National Instrument 44-102 Shelf Distributions, Companion Policy 44-102CP and the related Notice; and
- National Instrument 44-103 Post-Receipt Pricing, Companion Policy 44-103CP and the related Notice.

The Commission is publishing a Special Supplement to this issue of the OSC Bulletin containing the documents listed above.

**1.1.9 Notice of Rule, Forms and Companion
Policy and National Instrument**

**NOTICE OF
RULE 41-501 GENERAL PROSPECTUS REQUIREMENTS
FORM 41-501F1, FORM 41-501F2, FORM 41-501F3,
FORM 41-501F4,
COMPANION POLICY 41-501CP
AND
NATIONAL INSTRUMENT 41-101 PROSPECTUS
DISCLOSURE REQUIREMENTS**

The Commission is publishing in a Special Supplement to this issue of the OSC Bulletin the following documents:

- Rule 41-501 General Prospectus Requirements, Form 41-501F1 Information Required in a Prospectus, Form 41-501F2 Authorization of Indirect Collection of Personal Information, Form 41-501F3 Issuer Form of Submission to Jurisdiction and Appointment of Agent for Service of Process, Form 41-501F4 Non-Issuer Form of Submission to Jurisdiction and Appointment of Agent for Service of Process, Companion Policy 41-501CP General Prospectus Requirements and the related notice; and
- National Instrument 41-101 Prospectus Disclosure Requirements and the related notice.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Artisan RSP Most Conservative Portfolio et al. - MRRS Decision

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
ARTISAN RSP MOST CONSERVATIVE PORTFOLIO
ARTISAN RSP MODERATE PORTFOLIO
ARTISAN RSP AGGRESSIVE PORTFOLIO
ARTISAN RSP MOST AGGRESSIVE PORTFOLIO
ARTISAN MOST CONSERVATIVE PORTFOLIO
ARTISAN CONSERVATIVE PORTFOLIO
ARTISAN MODERATE PORTFOLIO
ARTISAN AGGRESSIVE PORTFOLIO
ARTISAN MOST AGGRESSIVE PORTFOLIO
ARTISAN CANADIAN EQUITY PORTFOLIO
ARTISAN CANADIAN T-BILL PORTFOLIO
ARTISAN U.S. EQUITY PORTFOLIO
ARTISAN INTERNATIONAL EQUITY PORTFOLIO
ARTISAN GLOBAL FIXED INCOME PORTFOLIO

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Loring Ward Investment Counsel Ltd. ("Loring Ward") and each of the Artisan Portfolios (collectively the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the time limits pertaining to the distribution of units under the prospectus of the Fund be extended to those time limits that would be applicable if the lapse date of the prospectus was September 15, 2000.

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

Manitoba Securities Commission is the principal regulator for this application;

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

1. Loring Ward is a corporation incorporated under the laws of Manitoba. Loring Ward is the trustee, manager and promoter of each of the Artisan Portfolios. The head office of Loring Ward is located in Manitoba.
2. The Artisan Portfolios are open-ended mutual fund trusts established by Loring Ward under the laws of Manitoba.
3. The Artisan Portfolios are "reporting issuers" (or equivalent) under the Act and are not in default of any requirements under the Act or the regulations thereto.
4. Units of the Artisan Portfolios are presently offered for sale on a continuous basis in each province and territory in Canada pursuant to a prospectus dated May 25, 1999 (the "Prospectus"), for which a receipt was issued in Manitoba on May 26, 1999, as amended by Amendment No. 1 dated July 13, 2000, for which a receipt was issued in Manitoba on July 28, 2000.
5. Pursuant to an MRRS Decision Document dated May 30, 2000, the lapse date (the "Lapse Date") for distribution of securities under the Prospectus is August 4, 2000.
6. On July 5, 2000, Loring Ward filed a preliminary simplified prospectus in respect of three (3) new Artisan Portfolios and a pro-forma simplified prospectus in respect of the current Artisan Portfolios. As of August 3, 2000, there remained a number of outstanding issues regarding the structure of the Artisan Portfolios and the disclosure thereof.
7. The requested lapse date extension would allow sufficient time for Loring Ward and the applicable regulators to resolve all outstanding issues relating to the plain language and other disclosure requirements contained in National Instrument 81-101.
8. Since the date of Amendment No. 1 the Prospectus, no material changes have occurred and no amendments to the Prospectus (as amended) have been made. Accordingly, the Prospectus contains up-to-date information regarding each of the Artisan Portfolios. The lapse date extension requested herein will not affect the currency or accuracy of the information contained in the Prospectus (as amended) and, accordingly, would not be prejudicial to the public interest.

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 time limits provided by the Legislation as they apply to a distribution of securities under the Prospectus are hereby extended to the time limits that would be applicable if the lapse date for the distribution of securities under the Prospectus was September 15, 2000.

DATED at Winnipeg, Manitoba this 14th day of August, 2000.

"R.B. Bouchard"
Director, Capital Markets

2.1.2 Artisan RSP Most Conservative Portfolio et al. - MRRS Decision

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

AND

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

AND

**IN THE MATTER OF
ARTISAN RSP MOST CONSERVATIVE PORTFOLIO,
ARTISAN RSP CONSERVATIVE PORTFOLIO, ARTISAN
RSP MODERATE PORTFOLIO, ARTISAN RSP
AGGRESSIVE PORTFOLIO, ARTISAN RSP MOST
AGGRESSIVE PORTFOLIO, ARTISAN MOST
CONSERVATIVE PORTFOLIO, ARTISAN
CONSERVATIVE PORTFOLIO, ARTISAN MODERATE
PORTFOLIO, ARTISAN AGGRESSIVE PORTFOLIO,
ARTISAN MOST AGGRESSIVE PORTFOLIO, ARTISAN
CANADIAN EQUITY PORTFOLIO, ARTISAN CANADIAN
T-BILL PORTFOLIO, ARTISAN U.S. EQUITY PORTFOLIO,
ARTISAN INTERNATIONAL EQUITY PORTFOLIO AND
ARTISAN GLOBAL FIXED INCOME PORTFOLIO
(the "Artisan Portfolios")**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (the "Jurisdictions") has received an application (the "Applications") from Loring Ward Investment Counsel Ltd. ("Loring Ward") and the Artisan Portfolios 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 Artisan Portfolios be extended to those time limits that would be applicable if the lapse date of the Prospectus was October 14, 2000.

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

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

- (a) Loring Ward is a corporation governed under the laws of Manitoba. Loring Ward is the trustee, manager and promoter of the Artisan Portfolios.

Decisions, Orders and Rulings

(b) The Artisan Portfolios are open-ended mutual fund trusts established by Loring Ward under the laws of Manitoba.

(c) The Artisan Portfolios are reporting issuers under the Act and are not in default of any requirements of the Act or the Regulations made thereunder.

(d) The Artisan Portfolios are presently offered for sale on a continuous basis in each province of Canada pursuant to a simplified prospectus (the "Prospectus") dated May 25, 1999 which was receipted on May 26, 1999 in Manitoba as amended by Amendment No. 1 dated July 13, 2000 – Sedar Project No. 165839 (the "Amendment") for which a receipt was issued in Manitoba on July 28, 2000. In each province other than Ontario and Quebec, the lapse date is twelve months after the date of the issuer's prospectus, while in Ontario and Quebec the lapse date is twelve months after the date of the receipt issued by the applicable securities regulatory authority.

(e) Pursuant to an MRRS Decision Document dated May 30, 2000, the lapse date (the "Lapse Date") for distribution of securities of the Artisan Portfolios was initially extended to August 4, 2000 to allow sufficient time for Loring Ward to convene a unitholder meeting to consider certain changes to the underlying funds of the Artisan Portfolios. A preliminary and pro forma prospectus of the Artisan Portfolios was filed on July 5, 2000, being 30 days in advance of the August 4, 2000 lapse date. Subsequently, a further extension of the Lapse Date was granted to allow Loring Ward sufficient time to address the issues that were raised in the comment period.

(f) A preliminary and pro forma prospectus of the Artisan Portfolios was filed by Loring Ward on July 5, 2000.

(g) Other than cash or cash equivalents, the securities in which each Portfolio invests are other prospectus-qualified mutual funds (individually, an "Underlying Fund" and collectively, the "Underlying Funds").

(h) Certain of the Portfolios are currently invested in Underlying Funds which are themselves 100% exposed to or directly invested in other mutual funds ("Clone Funds") in specified percentages of their net assets as follows:

Artisan RSP Conservative Portfolio
(to be renamed Artisan Conservative Portfolio):

C.I. Global Bond RSP Fund	2%
Artisan RSP Moderate Portfolio:	
C.I. Global Bond RSP Fund	2%
C.I. Global Equity RSP Fund	4%

Artisan RSP Aggressive Portfolio
(to be renamed Artisan RSP Growth Portfolio):

C.I. Global Bond RSP Fund	5%
C.I. Global Equity RSP Fund	7%

C.I. American RSP Fund	6%
Global Strategy RSP Europe Plus Fund (formerly, Global Strategy Diversified Europe Fund)	2%

Artisan RSP Most Aggressive Portfolio (to be renamed Artisan RSP High Growth Portfolio):	
C.I. Global Bond RSP Fund	5%
C.I. Global Equity RSP Fund	9%
C.I. American RSP Fund	12%
Global Strategy RSP Europe Plus Fund (formerly, Global Strategy Diversified Europe Fund)	6%

The investments are subject to a variance of 2.5% above or below the specified percentages, to account for market fluctuation and without the Portfolios or the Manager taking any action to increase or decrease the investment above or below the specified percentages.

(i) Other than as represented in paragraph (h), no Portfolio is currently invested in any Underlying Fund that is a Clone Fund.

(j) The Amendment sets out the changes proposed by Loring Ward which include proposed changes to investment objectives, fund names and proposed changes to the portfolio of underlying funds of several of the Artisan Portfolios. The existence of RSP Clone funds as underlying funds in some of the portfolios is the subject of numerous comments from the Participating Jurisdictions. The various manners in which RSP clone funds came to be included in the portfolios (which were largely due to actions taken by other arms-length mutual fund managers) and the merits of allowing such funds to remain in the portfolios either permanently or on some reasonable transitional basis has been discussed at length by Loring Ward with staff at the Principal Regulator and several of the Participating Jurisdictions.

(k) Since the date of the Amendment, the only material change which occurred is that unitholder approval was obtained based on what Loring Ward believed to be a basis which would be acceptable to the Participating Jurisdictions at reconvened unitholder meetings held on August 17, 2000. The substance of these changes is disclosed in the simplified prospectus and annual information form which were filed on August 28, 2000 in an effort to avoid the expense of a separate paper part amendment; these prospectus documents have not been receipted by the Participating Jurisdictions. Since those prospectus documents have not been receipted, and will not be until the issues concerning the RSP clone funds are resolved, Loring Ward would be willing to file a separate amendment to reflect the current status of matters if the Participating Jurisdictions believe this to be appropriate.

(l) Loring Ward has had extensive discussions with the Principal Regulator and the other Participating Jurisdictions in an effort to satisfy regulatory concerns

and to reach a viable resolution to the outstanding issues which is acceptable to staff of the Participating Jurisdictions, but which is also in Loring Ward's view, consistent with its fiduciary responsibility to act in the best interest of the unitholders of the affected Artisan Portfolios.

- (m) The time invested by Loring Ward in discussing these issues, preparing submissions, responding to regulatory enquiries and considering all proposals as to how to resolve the outstanding issues is ample evidence of its bona fides in this matter.
- (n) The extension of the Lapse Date will afford Loring Ward the opportunity to fully consider the position put forward by certain of the Participating Jurisdictions, to determine whether alternatives for restructuring the affected Artisan Portfolios are viable, if necessary to prepare further submissions to the Participating Jurisdictions, potentially to properly prepare for a hearing upon the refusal of certain Participating Jurisdictions to allow the use of RSP Clone Funds (a "Hearing") or, in the alternative, the Participating Jurisdictions time to accept Loring Ward's proposal on the timing and basis on which the affected Artisan Portfolio would cease to be invested in RSP Clone funds.

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

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

The Decision of the Decision Makers pursuant to the Legislation is that the time limits provided by Legislation as they apply to a distribution of securities under a prospectus are hereby extended to the time limits that would be applicable if the Lapse Date for the distribution of securities under the Prospectus of the Artisan Portfolios was October 14, 2000 with the following condition:

Until such time as the Portfolios are permitted to invest in Clone Funds as a result of a Hearing or express discretionary relief,

- (a) the Portfolios referred to in paragraph (h) shall not increase the specified percentages of their net assets that are invested in Clone Funds and shall not invest in any other Underlying Fund that is a Clone Fund; and
- (b) no other Portfolio shall invest in any Underlying Fund that is a Clone Fund.

DATED at Winnipeg, Manitoba this 25th day of September, 2000.

"R.B. Bouchard"
Director, Capital Markets

2.1.3 BMO Nesbitt Burns Inc. and Canadian Financial Services NT Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - subdivided offering - the prohibitions contained in the Legislation prohibiting trading in portfolio shares by persons or companies having information concerning the trading programs of mutual funds shall not apply to the promoter/agent with respect to certain principal trades with the issuer in securities comprising the issuer's portfolio in connection with an offering where underlying interest consists of a portfolio of common shares of Canadian public financial services companies.

The restrictions against registrants acting as underwriters in connection with the distribution of securities of a related or connected issuer shall not apply to the promoter/agent in connection with the offering.

Market making trades by promoter/agent shall not be subject to requirements to file and obtain a receipt for a preliminary and final prospectus provided that the promoter/agent and its affiliates do not beneficially own or have the power to exercise control of a sufficient number of voting securities of an issuer of the securities comprising the issuer's portfolio to permit the promoter/agent to affect materially the control of such issuer.

Issuer, a mutual fund, exempted from restriction against making an investment in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, as amended, ss. 1(1), 53, 59, 74(1), 111(2)(a), 119, 121(2)(a)(ii).

Applicable Ontario Regulations

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

**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

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

AND

**IN THE MATTER OF
BMO NESBITT BURNS INC.
AND CANADIAN FINANCIAL SERVICES NT CORP.**

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (the "Jurisdiction") has received an application from Canadian Financial Services NT Corp. (the "Issuer") and BMO Nesbitt Burns Inc. ("BMO Nesbitt Burns") in connection with the distribution (the "Offering") of capital shares (the "Capital Shares") and preferred shares (the "Preferred Shares") of the Issuer by BMO Nesbitt Burns and such other agents as may be appointed (collectively, the "Agents"), pursuant to a prospectus, for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

- (A) in the case of the Legislation of each of the Jurisdictions other than Nova Scotia, Saskatchewan, and Manitoba, the restrictions contained therein restricting registrants from acting as underwriters in connection with the distribution of securities of a related or connected issuer shall not apply to BMO Nesbitt Burns in connection with the Offering (the "Underwriting Restrictions").
- (B) The requirements contained in the Legislation of each of the Jurisdictions to file and obtain a receipt for a preliminary prospectus and final prospectus (the "Prospectus Requirements") shall not apply to Market Making Trades (as hereinafter defined) by BMO Nesbitt Burns in Capital Shares and Preferred Shares.
- (C) In the case of the Legislation of each of the Jurisdictions other than Manitoba, the prohibitions contained therein prohibiting trading in portfolio shares by persons or companies having information concerning the trading programs of mutual funds (the "Principal Trading Prohibitions") shall not apply to BMO Nesbitt Burns in connection with the Principal Sales and Principal Purchases (each as hereinafter defined); and
- (D) In the case of the Legislation of each of the Jurisdictions other than Manitoba, the restrictions contained therein prohibiting the Issuer from making investments in Bank of Montreal, which bank is a substantial indirect security holder of a distribution company and a management company of the Issuer (the "Investment Restrictions") shall not apply to the Issuer;

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

AND WHEREAS the Issuer and BMO Nesbitt Burns have represented to the Decision Makers as follows:

- 1. The Issuer was incorporated under the laws of the Province of Ontario on August 17, 2000 and has its principal office at 1 First Canadian Place, 4th Floor, Toronto, Ontario, M5X 1H3.

- 2. The Issuer has filed with the securities regulatory authority of each province of Canada a preliminary prospectus dated August 30, 2000 (the "Preliminary Prospectus") in respect of the offering of Capital Shares and Preferred Shares to the public in such provinces.
- 3. The Issuer intends to become a reporting issuer or equivalent under the Legislation by filing a final prospectus (the "Final Prospectus") relating to the Offering.
- 4. At the closing of the Offering, the authorized capital of the Issuer will consist of an unlimited number of Capital Shares, an unlimited number of Preferred Shares and an unlimited number of Class A Shares, having the attributes described in the Preliminary Prospectus.
- 5. The Capital Shares and Preferred Shares may be surrendered for retraction at any time in the amounts described in the Preliminary Prospectus.
- 6. All Capital Shares and Preferred Shares outstanding on a date approximately five years from the closing of the Offering (the "Redemption Date") will be redeemed by the Issuer on such date and Preferred Shares will be redeemable at the option of the Issuer on any Annual Retraction Payment Date (as described in the Preliminary Prospectus).
- 7. Application will be made to list the Capital Shares and Preferred Shares on The Toronto Stock Exchange (the "TSE").
- 8. The Class A Shares are the only voting shares in the capital of the Issuer. There are 100 Class A Shares issued and outstanding. 1066918 Ontario Inc. owns all of the 100 issued and outstanding Class A Shares of the Issuer. Each of BMO Nesbitt Burns and The CBFI Corporation (all of the common shares of which are owned by Bo Pelech, a director of the Company) owns 50% of the common shares of 1066918 Ontario Inc.
- 9. The Issuer has a board of directors which currently consists of six directors. Three of the current directors are employees of BMO Nesbitt Burns. Also, the offices of President/Chief Executive Officer, Chief Financial Officer and Secretary of the Issuer are held by employees of BMO Nesbitt Burns.
- 10. The Issuer is a passive investment company whose principal undertaking will be to invest the net proceeds of the Offering in a portfolio of common shares (the "Portfolio Shares") of selected Canadian publicly listed banks, life insurance companies, investment management companies and other financial companies (the "Financial Services Companies"). The purpose of the Issuer is to provide a vehicle through which different investment objectives with respect to participation in Portfolio Shares may be satisfied.
- 11. The Issuer is considered to be a mutual fund as defined in the Legislation. Since the Issuer does not operate as a conventional mutual fund, it has made application for

- a waiver from certain requirements of National Instrument 81-102.
12. BMO Nesbitt Burns was incorporated under the laws of Canada, is an indirect, majority-owned subsidiary of Bank of Montreal, is registered under the Legislation as a dealer in the categories of "broker" and "investment dealer" and is a member of the Investment Dealers Association of Canada and the TSE.
13. BMO Nesbitt Burns is the promoter of the Issuer.
14. Pursuant to an administration agreement (the "Administration Agreement") to be entered into, the Issuer will retain BMO Nesbitt Burns to administer the ongoing operations of the Issuer and will pay BMO Nesbitt Burns an administration fee equal to:
- (a) a monthly fee of 1/12 of 0.15% of the market value of the Portfolio Shares;
 - (b) any interest income earned by the Issuer from time to time; and
 - (c) the excess of the net proceeds received by the Issuer in respect of the disposition of Portfolio Shares received by the Issuer as stock dividends or pursuant to dividend reinvestment plans (net of applicable expenses and cash taxes which are not immediately refundable) over the amount of the cash dividends which would have otherwise been received.
15. Pursuant to an agreement (the "Agency Agreement") to be made between the Issuer and BMO Nesbitt Burns and such other agents as may be appointed after the date hereof (collectively, the "Agents" and individually, an "Agent"), the Issuer will appoint the Agent(s) as its agent(s) to offer the Capital Shares and Preferred Shares on a best efforts basis and the Final Prospectus qualifying the Offering will contain a certificate signed by each of the Agent(s) in accordance with the Legislation.
16. BMO Nesbitt Burns' economic interest in the Issuer and in the material transactions involving the Issuer are disclosed in the Preliminary Prospectus and will be disclosed in the Final Prospectus under the heading "Interest of Management and Others in Material Transactions" and include the following:
- (a) agency fees with respect to the Offering;
 - (b) an administration fee under the Administration Agreement;
 - (c) commissions in respect of the disposition of Portfolio Shares to fund a redemption or retraction, or the purchase for cancellation, of the Capital Shares and Preferred Shares;
 - (d) interest and reimbursement of expenses in connection with the acquisition of Portfolio Shares; and
 - (e) Principal Sales and Principal Purchases (as described in paragraphs 17 and 27 below).
17. Pursuant to an agreement (the "Securities Purchase Agreement") to be entered into between the Issuer and BMO Nesbitt Burns, BMO Nesbitt Burns will purchase, as agent for the benefit of the Issuer, Portfolio Shares in the market on commercial terms or from non-related parties with whom BMO Nesbitt Burns and the Issuer deal at arm's length. Subject to receipt of the relief requested hereby, BMO Nesbitt Burns may, as principal, also sell Portfolio Shares to the Issuer (the "Principal Sales"). The aggregate purchase price to be paid by the Issuer for the Portfolio Shares (together with carrying costs and other expenses incurred in connection with the purchase of the Portfolio Shares) will not exceed the net proceeds from the Offering.
18. The Preliminary Prospectus discloses and the Final Prospectus will disclose that if the Principal Sales are made by BMO Nesbitt Burns, as principal, to the Issuer, any Portfolio Shares acquired by the Issuer from BMO Nesbitt Burns, as principal, will be purchased in accordance with the rules of the applicable stock exchange and the price paid (inclusive of all transaction costs, if any) to BMO Nesbitt Burns will not be greater than the price which would have been paid (inclusive of all transaction costs, if any) if the acquisition had been made through the facilities of the principal stock exchange on which the Portfolio Shares are listed and posted for trading at the time of purchase from BMO Nesbitt Burns.
19. All Principal Sales will be approved by at least two independent directors of the Issuer and no commissions will be paid to BMO Nesbitt Burns in respect of any Principal Sales.
20. For the reasons set forth below, in the case of the Principal Sales, the interests of the Issuer and the shareholders of the Issuer may be enhanced by insulating the Issuer from price increases in respect of the Portfolio Shares.
21. None of the Portfolio Shares to be sold by BMO Nesbitt Burns as principal to the Issuer have been acquired, nor has BMO Nesbitt Burns agreed to acquire, any Portfolio Shares while BMO Nesbitt Burns had access to information concerning the investment program of the Issuer, although certain of the Portfolio Shares to be held by the Issuer may be acquired or BMO Nesbitt Burns may agree to acquire such Portfolio Shares on or after the date of the Decision Document.
22. The Final Prospectus will disclose the acquisition cost of the Portfolio Shares and selected information with respect to the dividend policy and trading history of the Portfolio Shares.

23. The Issuer is not, and will not upon the completion of the Offering, be an insider of any of the Financial Services Companies within the meaning of the Legislation.
24. BMO Nesbitt Burns does not have any knowledge of a material fact or material change with respect to the Financial Services Companies which has not been disclosed to the public.
25. Under the Securities Purchase Agreement, BMO Nesbitt Burns may receive commissions at normal rates in respect of its purchase of Portfolio Shares, as agent on behalf of the Issuer, and the Issuer will pay any carrying costs or other expenses incurred by BMO Nesbitt Burns, on behalf of the Issuer, in connection with its purchase of Portfolio Shares as agent on behalf of the Issuer. In respect of the Principal Sales made to the Issuer by BMO Nesbitt Burns as principal, BMO Nesbitt Burns may realize a financial benefit to the extent that the proceeds received from the Issuer exceed the aggregate cost to BMO Nesbitt Burns of such Portfolio Shares. Similarly, the proceeds received from the Issuer may be less than the aggregate cost to BMO Nesbitt Burns of the Portfolio Shares and BMO Nesbitt Burns may realize a financial loss, all of which is described in the Preliminary Prospectus and will be described in the Final Prospectus.
26. The net proceeds from the offering of the Capital Shares and the Preferred Shares (after deducting the Agent(s)'s fees, expenses of the Offering and the Issuer's interest and other expenses relating to the acquisition of the Portfolio Shares) will be used by the Issuer to fund the purchase of the Portfolio Shares.
27. In connection with the services to be provided by BMO Nesbitt Burns to the Issuer pursuant to the Administration Agreement, BMO Nesbitt Burns may sell Portfolio Shares to fund retractions of Capital Shares and Preferred Shares prior to the Redemption Date and upon liquidation of the Portfolio Shares prior to the Redemption Date. These sales will be made by BMO Nesbitt Burns as agent on behalf of the Issuer. Subject to the receipt of the relief requested hereby, in certain circumstances such as where a small number of Capital Shares and Preferred Shares have been surrendered for retraction, BMO Nesbitt Burns may also purchase Portfolio Shares as principal (the "Principal Purchases").
28. In connection with any Principal Purchases, BMO Nesbitt Burns will comply with the rules, procedures and policies of the applicable stock exchange of which it is a member and in accordance with orders obtained from all applicable securities regulatory authorities. The Preliminary Prospectus discloses and the Final Prospectus will disclose that BMO Nesbitt Burns may make Principal Purchases.
29. The Administration Agreement will provide that BMO Nesbitt Burns must take reasonable steps, such as soliciting bids from other market participants or such other steps as BMO Nesbitt Burns, in its discretion, considers appropriate after taking into account prevailing market conditions and other relevant factors, to enable the Issuer to obtain the best price reasonably available for the Portfolio Shares so long as the price obtained (net of all transaction costs, if any) by the Issuer from BMO Nesbitt Burns is more or at least as advantageous to the Issuer as the price which is available (net of all transaction costs, if any) through the facilities of the applicable stock exchange at the time of the trade.
30. BMO Nesbitt Burns will not receive any commissions from the Issuer in connection with Principal Purchases and, in carrying out the Principal Purchases, BMO Nesbitt Burns shall deal fairly, honestly and in good faith with the Issuer.
31. It will be the policy of the Issuer to hold the Portfolio Shares and to not engage in any trading of the Portfolio Shares, except:
- (a) to fund retractions or redemptions of Capital Shares and Preferred Shares;
 - (b) following receipt of stock dividends on Portfolio Shares; or
 - (c) in certain other limited circumstances described in the Preliminary Prospectus, such as the occurrence of an extraordinary transaction or business combination involving one of the Financial Services Companies.
32. BMO Nesbitt Burns will be a significant maker of markets for Capital Share and Preferred Shares, although it is not anticipated that BMO Nesbitt Burns will be appointed the registered pro-trader by the TSE with respect to the Issuer. As a result, BMO Nesbitt Burns will, from time to time, purchase and sell Capital Shares and Preferred Shares as principal and trade in such securities as agent on behalf of its clients, the primary purpose of such trades (the "Market Making Trades") being to provide liquidity to the holders of Capital Shares and Preferred Shares. All trades made by BMO Nesbitt Burns as principal will be recorded daily by the TSE.
33. As BMO Nesbitt Burns indirectly owns 50% of the Class A Shares of the Issuer, BMO Nesbitt Burns will be deemed to be in a position to affect materially the control of the Issuer and consequently, each Market Making Trade will be a "distribution" or "distribution to the public" within the meaning of the Legislation.
34. By virtue of BMO Nesbitt Burns' relationship with the Issuer, including the fact that three of the directors and officers of the Issuer are employees of BMO Nesbitt Burns and BMO Nesbitt Burns is the promoter of the Issuer, the Issuer is a connected issuer (or equivalent) and/or related issuer (or equivalent) of BMO Nesbitt Burns under the Legislation.
35. It is not known at this time whether any other agents will participate in distributing the Offering or, if so, what

proportions of the Offering will be sold by additional agents other than BMO Nesbitt Burns.

36. The Issuer is not and it is not expected that the Issuer could be in financial difficulty.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that:

- A. The Underwriting Restrictions shall not apply to BMO Nesbitt Burns in connection with the Offering.
- B. The Prospectus Requirements shall not apply to the Market Making Trades by BMO Nesbitt Burns in the Capital Shares and Preferred Shares provided that at the time of each Market Making Trade, BMO Nesbitt Burns and its affiliates do not beneficially own or have the power to exercise control or direction over a sufficient number of voting securities of any of the Financial Services Companies, securities convertible into voting securities of any of the Financial Services Companies, options to acquire voting securities of any of the Financial Services Companies, or any other securities which provide the holder with the right to exercise control or direction over voting securities of any of the Financial Services Companies which in the aggregate permit BMO Nesbitt Burns to affect materially the control of any of the Financial Services Companies and without limiting the generality of the foregoing, the beneficial ownership of or the power to exercise control or direction over securities representing in the aggregate, 20% or more of the votes attaching to all the then issued and outstanding voting securities of any of the Financial Services Companies shall, in the absence of evidence to the contrary, be deemed to affect materially the control of any of such Financial Services Companies.
- C. The Principal Trading Prohibitions shall not apply to BMO Nesbitt Burns in connection with the Principal Sales and Principal Purchases.
- D. The Investment Restrictions shall not apply to the Issuer in connection with investments in shares of Bank of Montreal.

October 5th, 2000.

"J. A. Geller"

"Stephen N. Adams"

2.1.4 CIT Group, Inc. , CIT Credit Group Inc. and CIT Holdings, LLC - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – U.S. company assuming unlisted Canadian public debt deemed to be a reporting issuer.

Continuous Disclosure – Reporting issuer exempted from continuous disclosure requirements, subject to certain conditions. Disclosure required to be provided by these provisions would not be meaningful to security holders.

Cease to be a Reporting Issuer – Issuer deemed to have ceased to be reporting issuer pursuant to the Legislation.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss.75, 77, 78, 80(b)(iii), 81(2), 83, 83.1(1)(a), 107, 108, 109, 121(2), Reg. 1015: Sch. I: 59(1).

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

AND

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

AND

IN THE MATTER OF THE CIT GROUP, INC. , CIT CREDIT GROUP INC. AND CIT HOLDINGS, LLC

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Ontario and Nova Scotia (collectively, the "Jurisdictions") has received an application from The CIT Group, Inc. ("CIT"), Newcourt Credit Group Inc., now CIT Credit Group Inc. ("Newcourt") and CIT Holdings, LLC ("Holdings") (collectively, the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

- a) Holdings be deemed to be a reporting issuer;
- b) Holdings be exempt from the requirements of the Legislation to report material changes, to file interim and annual financial statements, to file information circulars and annual information forms (including management's discussion and analysis of the financial condition and results of operation of Holdings) and each "insider" (as such term is defined in the Legislation) of Holdings be exempt from the insider

reporting requirements of the Legislation (the "Continuous Disclosure Requirements"), all subject to certain conditions;

- c) Holdings be exempt from the requirements of the legislation to pay any fees relating to documents filed by CIT pursuant to this Decision; and
- d) Newcourt be deemed to cease to be a reporting issuer.

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

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

1. Newcourt is a corporation incorporated under the laws of the Province of Ontario, is a reporting issuer or the equivalent in each Jurisdiction and is not in default of any requirements of the Legislation. All of Newcourt's common shares are held by CIT Exchangeco Inc. ("Exchangeco") which is an indirect subsidiary of CIT.
2. CIT is a corporation incorporated under the laws of the State of Delaware, is subject to the reporting requirements of the United States Securities Exchange Act of 1934 (the "Exchange Act"), is a reporting issuer or the equivalent in each Jurisdiction and is not in default of any requirements of the Legislation.
3. Holdings is a limited liability company formed under the laws of the State of Delaware, all of its membership interests are held by CIT, and it is not a reporting issuer or the equivalent in any Jurisdiction.
4. On November 15, 1999, Newcourt and CIT combined by way of a plan of arrangement (the "Arrangement") pursuant to section 182 of the *Business Corporations Act* (Ontario). Pursuant to the Arrangement, common shareholders of Newcourt received either exchangeable shares ("Exchangeable Shares") of Exchangeco or shares of CIT Common Stock. The Exchangeable Shares and the shares of CIT Common Stock are both listed on The Toronto Stock Exchange. Upon completion of the Arrangement, Exchangeco held all the outstanding shares in the capital of Newcourt and Newcourt became an indirect subsidiary of CIT. Immediately following the completion of the Arrangement, Newcourt's common shares were delisted from The Toronto Stock Exchange, the Montreal Exchange and the New York Stock Exchange ("NYSE").
5. As part of the Arrangement, pursuant to a mutual reliance review system decision document issued by, among others, the Jurisdictions In the Matter of The CIT Group, Inc., 3026192 Nova Scotia Company and CIT Exchangeco Inc. dated November 1, 1999 (the "November Decision Document"), CIT and Exchangeco were granted, amongst other things, exemptive relief from certain continuous disclosure requirements of the

Legislation, subject to certain conditions. Exchangeco's and CIT's filing requirements (aside from material change reports and press releases relating to Exchangeco alone) are to be satisfied through CIT's filing with all Canadian securities regulators copies of all documents required to be filed by CIT with the United States Securities and Exchange Commission (the "SEC") under the Exchange Act. Furthermore CIT must comply with the requirements of the NYSE with respect to public disclosure of timely information, and all disclosure material furnished to holders of CIT Common Stock must be concurrently sent to holders of Exchangeable Shares.

6. At the time of the completion of the Arrangement, Newcourt had outstanding unlisted public debt securities in Canada ("Canadian Public Debt") pursuant to a trust indenture dated June 1, 1995 between The R-M Trust Company (now CIBC Mellon Trust Company) (the "Trustee") and Newcourt and supplemental indentures thereto (collectively, the "Indenture"). The debt securities were issued under the Indenture in five series (pursuant to three shelf prospectuses).
7. On November 15, 1999, CIT provided an unconditional, absolute and irrevocable guaranty of full and prompt payment of all principal and interest on the Canadian Public Debt (the "Guaranty").
8. On January 1, 2000, CIT reorganized certain of its subsidiaries in order to achieve efficiencies within the CIT group of companies. Two of the principal aspects of the reorganization were (i) the interposition of Holdings in the chain of ownership between CIT and Newcourt such that Newcourt became an indirect subsidiary of Holdings, and (ii) the transfer by Newcourt of all the outstanding shares of its direct subsidiary, Newcourt Credit Group USA Inc. ("NUSA"), to Holdings.
9. As the sale of NUSA may be considered under the terms of the Indenture to be a sale of substantially all of Newcourt's assets, Holdings and Newcourt entered into a supplemental indenture to the Indenture whereby Holdings expressly assumed all Newcourt's obligations under the outstanding Canadian Public Debt and Holdings became the primary obligor thereunder. Upon such assumption, Newcourt was expressly relieved of any further obligations under the Indenture and the securities issued thereunder. The Guaranty of CIT continues to operate in favour of Holdings' obligations under the Canadian Public Debt. The holders of all the Canadian Public Debt were notified in writing as to the assumption by Holdings of all Newcourt's obligations under the outstanding Canadian Public Debt.
10. The Indenture requires that the successor company (Holdings) provide to the Trustee, on behalf of securityholders, copies of the documents, information and reports that Holdings is required to file with the Ontario Securities Commission. The Indenture does not require that any such documents or information be mailed or delivered to holders of the Canadian Public Debt.

11. It is the intention of CIT, Newcourt and Holdings that once the Canadian Public Debt is no longer outstanding then Holdings will forthwith apply to the Jurisdictions to cease to be a reporting issuer.
12. Newcourt has less than 15 security holders.

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:

1. Holdings shall be deemed to be a reporting issuer for the purposes of the Legislation.
2. The Continuous Disclosure Requirements shall not apply to Holdings, provided that, at the time that any such requirement would otherwise apply:
 - (a) CIT shall be in compliance with the relevant provisions of the November Decision Document such that:
 - (i) CIT files with the Decision Makers copies of all documents required to be filed by it with the SEC under the Exchange Act including, but not limited to, copies of any Form 10-K, Form 10-Q, Form 8-K and proxy statements prepared in connection with CIT's annual meetings, which documents will include financial statements prepared solely in accordance with United States generally accepted accounting principles; and
 - (ii) CIT complies with the requirements of the NYSE in respect of making public disclosure of material information on a timely basis and forthwith issue in the Jurisdictions and file with the Decision Makers any press release that discloses a material change in CIT's affairs;
 - (b) Notwithstanding that the Continuous Disclosure Requirements shall not apply to Holdings, Holdings shall comply with the requirements of the Legislation to issue a press release and file a report with the Decision Makers upon the occurrence of a material change in the affairs of Holdings that is not a material change in the affairs of CIT;
 - (c) CIT remains the direct or indirect beneficial owner of all of the issued and outstanding membership interests of Holdings;

(d) Holdings has not sought or obtained public financing by way of an offering of securities; and

(e) CIT has continued to provide an unconditional, absolute and irrevocable guaranty of full and prompt payment of all principal and interest on the Canadian Public Debt.

3. Holdings shall be exempt from any fee payments under the Legislation, except in British Columbia and Saskatchewan; relating to filings made by CIT pursuant to this Decision.

4. Newcourt shall be deemed to have ceased to be a reporting issuer for the purposes of the Legislation.

September 29th, 2000.

"J. A. Geller"

"Howard I. Wetston"

**2.1.5 Dynamic Dividend Growth Fund et al. -
MRRS Decision**

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
DYNAMIC HEALTH SCIENCES FUND
DYNAMIC GLOBAL TECHNOLOGY FUND**

ORDER

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

UPON the application of Dynamic Mutual Funds Ltd. ("Dynamic"), the manager of the Dynamic RSP Health Sciences Fund and Dynamic RSP Global Technology Fund and other mutual funds established from time to time, (collectively, the "RSP Funds") and Dynamic Health Sciences Fund and Dynamic Global Technology Fund and other mutual funds established by Dynamic from time to time (collectively, the "Underlying Funds") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 59(1) of Schedule I of the Regulation exempting the Underlying Funds from paying duplicate filing fees on an annual basis in respect of the distribution of units of the Underlying Funds to (i) counterparties with whom the RSP Funds have entered into forward contracts in respect of units purchased to hedge their exposure to RSP Funds (the "Hedge Units") and (ii) the RSP Funds (including in both cases the reinvestment of distributions) (the "Reinvested Units");

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

AND UPON Dynamic having represented to the Commission that:

1. Dynamic is the trustee and manager of the RSP Funds and the Underlying Funds. Dynamic is a corporation incorporated under the laws of Ontario.
2. Each of the RSP Funds and the Underlying Funds is or will be an open-ended mutual fund trust established under the laws of Ontario.

3. The units of the RSP Funds and the Underlying Funds are or will be qualified for distribution pursuant to simplified prospectuses and annual information forms filed across Canada.
4. Each of the RSP Funds and 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 existing RSP Funds or 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 its investment strategy, each RSP Fund may purchase units of the Underlying Funds (the "Fund on Fund Investments").
6. In addition, as part of their investment strategy, the RSP Funds enter into forward contracts or other derivative instruments (the "Forward Contracts") with one or more financial institutions (the "Counterparties") that link the returns to the applicable Underlying Funds.
7. A Counterparty may hedge its obligations under a Forward Contract by investing in Hedge Units of the applicable Underlying Fund.
8. Applicable securities regulatory approvals for the Fund on Fund Investments and the RSP Funds' investment strategies have been obtained.
9. Annually, each RSP Fund 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 Underlying Fund will be required to pay filing fees to the Commission in respect of the distribution of its units in Ontario, including units issued to the RSP Funds and Counterparties, 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 the RSP Funds are invested in an Underlying Fund; (b) the Counterparties invest in an Underlying Fund; and (c) a distribution is paid by an Underlying Fund on units of the Underlying Fund held by a RSP Fund or Counterparty which is reinvested in additional units of the Underlying Fund ("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 in respect of the distribution of units of the Underlying Funds to the RSP Funds, the distribution of Hedge Units to Counterparties and the distribution of Reinvested Units, provided that each Underlying Fund shall include in its notice filed under subsection 14(4) of Schedule I of the Regulation a statement of the aggregate gross proceeds realized in Ontario as a result of the issuance by the Underlying Funds of: (1) units distributed to the RSP Funds; (2) Hedge Units; and (3) Reinvested Units; together with a calculation of the fees that would have been payable in the absence of this order.

October 6th, 2000.

"Morley P. Carscallen"

"Robert W. Korthals"

**2.1.6 Hunt Oil Company of Canada, Inc. Formerly
Known As Newport Petroleum Corporation
- MRRS Decision**

Headnote

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

Applicable Ontario Statutory Provisions

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

Applicable Alberta Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
HUNT OIL COMPANY OF CANADA, INC.
FORMERLY KNOWN AS NEWPORT PETROLEUM
CORPORATION

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Hunt Oil Company of Canada, Inc. formerly known as Newport Petroleum Corporation (the "Filer"), for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Filer cease to be a reporting issuer, or its equivalent, under the Legislation;
2. **AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;
3. **AND WHEREAS** the Filer has represented to the Decision Makers that:

- 3.1 the filer was amalgamated under the Business Corporations Act (Alberta) on January 1, 1998;
- 3.2 the head office of the Filer is in Calgary, Alberta;
- 3.3 the authorized share capital of the Filer consists of an unlimited number of common shares (the "Common Shares"). As of June 13, 2000, there were 88,856,534 Common Shares issued and outstanding. There are no securities, including debt obligations, currently issued and outstanding other than the Common Shares;
- 3.4 the Filer's Common Shares were listed on The Toronto Stock Exchange but have recently been delisted by such exchange, and there are currently no securities of the Filer listed on any stock exchange or traded over the counter in Canada or elsewhere;
- 3.5 the Filer is, and has been for a period of time in excess of twelve months, a reporting issuer under the Legislation, and the Filer is not in default of any requirements under the Legislation;
- 3.6 Hunt Oil Canadian Acquisition I Corporation ("Hunt") made an offer dated May 19, 2000 (the "Offer"), to purchase all of the issued Common Shares and associated rights of the Filer. The Offer expired on June 12, 2000, having been accepted by the holders of more than 96% of the Common Shares and associated rights;
- 3.7 on June 14, 2000, Hunt became the sole shareholder of the Filer following the acquisition of the shares tendered to the Offer and the compulsory acquisition of all of the Common Shares of the Filer which had not been acquired by Hunt pursuant to the Offer;
- 3.8 the Filer does not currently intend to seek public financing by way of an issuance of securities;
- 4. **AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");
- 5. **AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;
- 6. **THE DECISION** of the Decision Makers under the Legislation is that the Filer is deemed to have ceased to be a reporting issuer, or the equivalent thereof under the Legislation, effective as of the date hereof.

DATED at Calgary, Alberta this 22nd day of August, 2000.

"Patricia M. Johnston"
Director, Legal Services & Policy Development

**2.1.7 Industrial-Alliance Life Insurance Company
- MRRS Decision**

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Waiver granted pursuant to section 4.5 of National Policy Statement No. 47 to enable issuer to participate in the POP System when it did not meet the "public float" test in the last calendar month of its most recent financial year-end in respect of which its Initial Annual Information Form will be filed provided that it does meet the "public float" test at a date within 60 days before the filing of its preliminary short form prospectus.

National Policies Cited

National Policy Statement No. 47 Prompt Offering Qualification System, ss. 4.1 and 4.5.

National Instruments Cited

Proposed National Instrument 44-101 Short Form Prospectus Distributions

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF THE PROVINCES
OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA,
ONTARIO, 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
INDUSTRIAL-ALLIANCE LIFE INSURANCE COMPANY

MRRS DECISION DOCUMENT**

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (collectively, the "Jurisdictions") has received an application (the "Application") from Industrial-Alliance Life Insurance Company (the "Company") for a waiver, pursuant to section 4.5 of National Policy Statement 47 ("NP 47"), from a requirement of subsection 4.2(1) of NP 47 to enable the Company 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 Ontario Securities Commission is the principal regulator for the Application;

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

1. The predecessor to the Company was a mutual life insurance company incorporated under *An Act respecting insurance* (Québec), as amended, and resulted from several amalgamations.
2. The predecessor to the Company became a reporting issuer in all ten provinces upon completion of its June 1996 offering of subordinated debentures and was therefore a reporting issuer in such jurisdictions for over three years.
3. Between June 1999 and February 2000 the predecessor to the Company undertook the process of demutualization, which led to the completion on February 10, 2000 of the initial public offering by the Company of 24,075,000 common shares (the "Common Shares") and 3,000,000 series 1 preferred shares (the "Preferred Shares") and the issuance of letters patent confirming the demutualization.
4. The Company's financial year end is December 31.
5. The Common Shares are currently listed and posted for trading on The Toronto Stock Exchange (the "TSE").
6. As of the date hereof, no Person (as defined in NP 47), either alone or together with his/her affiliates and Associates (as defined in NP 47), beneficially owns or exercises control or direction over more than 10% of the issued and outstanding Common Shares.
7. The Company's authorized share capital consists of 100 million Common Shares, without par value, issuable for an aggregate consideration not exceeding \$1 billion and 10 million Preferred Shares with a par value of \$25 each, issuable in series. As of July 20, 2000, 24,075,000 Common Shares and 3,000,000 Preferred Shares were issued and outstanding.
8. The Company would be eligible to participate in the POP System pursuant to the eligibility criteria in section 4.2 but for the fact that the Company has not completed its first financial year and therefore cannot meet the \$75 million public float requirement in paragraph 4.1(1)(c) calculated in accordance with subsection 4.1(2).
9. The aggregate market value of the Common Shares listed and posted for trading on the TSE as of the date of the Application was well in excess of \$300 million.
10. The Company would presently be eligible to participate in the POP System upon the filing and acceptance of its initial annual information form ("Initial AIF") if Proposed National Instrument 44-101 ("NI 44-101") was effective, as the Company would be able to meet the substantial Canadian issuer eligibility requirements of section 2.3 of NI 44-101. Similar to section 4.2 of NP 47, section 2.3 of NI 44-101 requires that an issuer have a public float of at least \$300 million on any date within sixty (60) days before the filing of the issuer's preliminary short

form prospectus. However, unlike section 4.2 of NP 47, section 2.3 of NI 44-101 does not require an issuer to meet the \$75 million public float requirement as of the end of its last completed financial year.

11. To its knowledge, the Company is not in default of any requirement of the securities legislation in the Jurisdictions.
12. The Company may, in the future, wish to avail itself of the POP System.

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 securities legislation of the applicable Jurisdiction that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers, pursuant to section 4.5 of NP 47, is that the requirement in subsection 4.2(1) that the issuer meet the requirement of paragraph 4.1(1)(c) shall be waived to enable the Company to be eligible to participate in the POP System, provided that:

- (a) the Company complies in all other respects with the requirements of NP 47;
- (c) the eligibility certificate to be filed in respect of the Company's Initial AIF shall state that the Applicant satisfies the eligibility criteria set out in section 4.2 except for the criterion in paragraph 4.1(1)(c), and shall make reference to this waiver; and
- (d) this waiver terminates on the earlier of:
 - (i) 140 days after the end of the Company's financial year ended December 31, 2000; and
 - (ii) the date of filing of a Renewal AIF (as defined in NP 47) by the Company in respect of its financial year ended December 31, 2000.

September 28th, 2000.

"Iva Vranic"

2.1.8 Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc., National Bank Financial Inc., and Pembina Pipeline Income Fund - MRRS Decision

Headnote

Issuer is a connected issuer, but not a related issuer, in respect of registrants that are underwriters in proposed distribution of trust units by the issuer - Underwriters exempt from the independent underwriter requirement in the legislation provided that issuer not in financial difficulty.

Regulations Cited

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

Rules Cited

Proposed Multi-Jurisdictional Instrument 33-105 *Underwriting Conflicts* (1998), 21 OSCB 788.

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

AND

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

AND

**IN THE MATTER OF
SCOTIA CAPITAL INC., BMO NESBITT BURNS INC.,
TD SECURITIES INC., NATIONAL BANK FINANCIAL
INC.,**

AND

PEMBINA PIPELINE INCOME FUND

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta, Quebec, and Newfoundland (the "Jurisdictions") has received an application from Scotia Capital Inc. ("Scotia Capital"), BMO Nesbitt Burns Inc., TD Securities Inc., and National Bank Financial Inc. (collectively, the "Filers") for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirement (the "Independent Underwriter Requirement") contained in the Legislation which restricts a registrant from acting as an underwriter in connection with a distribution of securities of an issuer made by means of prospectus, where the issuer is a connected issuer (or the equivalent) of the registrant unless a portion of the distribution at least equal to that portion

underwritten by the non-independent underwriter is underwritten by an independent underwriter, shall not apply to the Filers in respect of a proposed distribution (the "Offering") of Trust Units (the "Offered Units") of Pembina Pipeline Income Fund (the "Issuer"), pursuant to a short form prospectus (the "Prospectus") expected to be filed with the Decision Maker in each of the provinces and territories of Canada;

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

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

1. The Issuer, an open-ended, single purpose trust established under the laws of Alberta, is a reporting issuer under the Legislation of each Jurisdiction and is not in default of any requirements of the Legislation.
2. The business of the Issuer, whose principal office is located in Calgary, Alberta, is restricted to investing in investments permitted solely under Section 132(6) of the *Income Tax Act* (Canada). At present the Issuer's investments consist solely of securities of Pembina Pipeline Corporation ("Pembina"). Pembina is an Alberta corporation which owns oil and natural gas liquids pipeline systems. The Issuer owns all of the issued and outstanding common shares of Pembina and its 11.75% unsecured subordinated notes due October 25, 2027.
3. The trust units of the Issuer are listed on The Toronto Stock Exchange.
4. The Issuer filed a preliminary short form prospectus dated September 15, 2000 (the "Preliminary Prospectus") in the Jurisdictions.
5. The Filers along with CIBC World Markets Inc. and RBC Dominion Securities Inc. are proposing to act as underwriters in connection with the Offering. Each of the Filers and the other proposed syndicate members is registered as a dealer in the categories of "broker" and "investment dealer" under the Legislation.
6. Pembina maintains a \$235 million extendible revolving credit facility, a \$170 million one-year non-revolving term credit facility due July 31, 2001 and a \$25 million operating facility (collectively, the "Credit Facilities"). The Credit Facilities are maintained with a syndicate of Canadian banks, including The Bank of Nova Scotia, Bank of Montreal, The Toronto-Dominion Bank, and National Bank of Canada (collectively, the "Lenders"). As at August 31, 2000, Pembina was indebted to the Lenders in the amount of \$390 million. The majority of such indebtedness was incurred to fund the purchase, on July 31, 2000, of Federated Pipe Lines Ltd. ("Federated"). Pembina is in compliance with the terms of the Credit Facilities.

Decisions, Orders and Rulings

7. The net proceeds from the sale of the Offered Units will be used by the Issuer to purchase securities of Pembina, which will in turn use the funds to repay a portion of the indebtedness incurred under the Credit Facilities for the purchase of Federated.
8. The Filers are wholly-owned subsidiaries of the Lenders.
9. The nature of the relationship among the Issuer, the Lenders and the Filers has been described in the Preliminary Prospectus and will be described in the Prospectus.
10. The Lenders did not and will not participate in the decision to make the Offering or in the determination of its terms.
11. The Filers will not benefit in any manner from the Offering other than the payment of their underwriting fees in connection with the Offering.
12. By virtue of the Credit Facilities, the Issuer may, in connection with the Offering, be considered a connected issuer (or the equivalent) of each of the Filers.
13. The Issuer is not a related issuer (or the equivalent) of the Filers or of any of the other members of the underwriting syndicate.
14. The Prospectus will contain the information specified in Appendix "C" of draft Multi-Jurisdictional Instrument 33-105 *Underwriting Conflicts* (the "MJ Instrument").
15. The Issuer is in good financial condition, is not in financial difficulty, and is not under any immediate financial pressure to proceed with the Offering and has not been requested or required by the Lenders to repay the amounts owing under the Credit Facilities. The Issuer is not a "specified party" as defined in the MJ Instrument.

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

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

THE DECISION of the Decision Makers, pursuant to the Legislation, is that the Independent Underwriter Requirement shall not apply to the Filers in connection with the Offering provided the Issuer is not a related issuer (or equivalent) to the Filers at the time of the Offering and is not a specified party, as defined in the MJ Instrument, at the time of the Offering.

September 28th, 2000.

" J.A. Geller"

"Robert W. Davis"

2.2 Orders

2.2.1 CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc. and Legacy Hotels Real Estate Investment Trust - s. 233, Regulation

Headnote

Section 233 of the Regulation - Certain registrants underwriting a proposed distribution of units by an issuer exempt from clause 224(1)(b) of the Regulation where the issuer is a connected issuer, but not a related issuer, of such registrants.

Applicable Regulations

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

Rules Cited

Proposed Multi-Jurisdictional Instrument 33-105 Underwriting Conflicts (1998), 21 O.S.C.B. 781, as amended, (1999), 22 O.S.C.B. 149.

**IN THE MATTER OF
REGULATION 1015 R.R.O. 1990, AS AMENDED (the
"Regulation"),
MADE UNDER THE SECURITIES ACT,
R.S.O. 1990, c. S.5, AS AMENDED (the "Act")**

AND

**IN THE MATTER OF
CIBC WORLD MARKETS INC.,
RBC DOMINION SECURITIES INC. AND TD SECURITIES
INC.**

AND

**IN THE MATTER OF
LEGACY HOTELS REAL ESTATE INVESTMENT TRUST**

**ORDER
(Section 233 of the Regulation)**

UPON the application of CIBC World Markets Inc. ("CIBC WM"), on behalf of itself, RBC Dominion Securities Inc. ("RBC DS") and TD Securities Inc. ("TDSI") (collectively, the "Applicants") to the Ontario Securities Commission (the "Commission") for an order, pursuant to section 233 of the Regulation, exempting the Applicants from the requirements of clause 224(1)(b) of the Regulation in connection with the proposed public offering (the "Offering") of units (the "Units") of Legacy Hotels Real Estate Investment Trust (the "Issuer") to be made by means of a short form prospectus, subject to certain conditions.

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

AND UPON the Applicants having represented to the Commission that:

1. The Issuer is an unincorporated closed-end real estate investment trust, governed by the laws of the Province of Alberta. The Issuer has been a reporting issuer under the Act since October 29, 1997. The Issuer is not on the list of defaulting reporting issuers maintained by the Commission for inspection by the public.
2. The Issuer's principal place of business and location of its senior officers are the Province of Ontario.
3. As at June 30, 2000, the Issuer had outstanding approximately 59 million Units and \$400 million debentures.
4. The Issuer was established to invest in hotels and undertake related activities for the benefit of its unitholders. The day-to-day operations and administration of the Issuer are conducted by Canadian Pacific Hotel Management Corporation pursuant to an Advisory Agreement with the Issuer dated as of November 10, 1997 in accordance with operating policies established by the trustees of the Issuer.
5. The Issuer intends to file a preliminary short form prospectus (the "Preliminary Prospectus") shortly and intends to file a final short form prospectus (the "Prospectus") as soon as possible thereafter with the Commission and each of the security regulatory authorities in the other provinces of Canada to qualify the Offering.
6. The Issuer will enter into an underwriting agreement with the Applicants and other underwriters yet to be named (collectively with the Applicants, the "Underwriters") whereby the Issuer will agree to issue and sell, and the Underwriters will agree to purchase, the Units.
7. At this time, the exact percentage of the Offering to be underwritten by each of the Underwriters has not been finally determined, although it is anticipated that the Applicants will underwrite, in the aggregate, approximately 80% of the Offering.
8. The Issuer arranged an acquisition facility (the "Credit Facility") with Royal Bank of Canada ("RBC"), Canadian Imperial Bank of Commerce ("CIBC") and The Toronto Dominion Bank ("TD") (collectively, the "Banks") by agreement dated as of December 24, 1997. Pursuant to the Credit Facility, the commitments of RBC, CIBC and TD are \$40 million, \$35 million and \$25 million, respectively. CIBC WM is a wholly-owned subsidiary of CIBC, RBC DS is a wholly-owned subsidiary of RBC and TDSI is a wholly-owned subsidiary of TD. In addition, Legacy Hotels Corporation, a wholly-owned subsidiary of the Issuer, has a revolving operating credit facility with RBC; as at June 30, 2000, no amounts were outstanding under this facility. As at June 30, 2000, the Issuer owed \$73 million to the Banks pursuant to the Credit Facility (the

"Indebtedness"). The approximate allocation of the Indebtedness is as follows:

CIBC: \$25.5 million

RBC: \$29.2 million

TD: \$18.3 million

9. The proceeds of the Offering, before deducting the Underwriters' fees and expenses of the Offering, are currently expected to be approximately \$57 million. It is currently anticipated that the net proceeds of the Offering will be used to partially repay the Indebtedness. This use of proceeds will be disclosed in the Preliminary Prospectus and in the Prospectus.
10. Accordingly, the Issuer may be considered a "connected issuer" of the Applicants within the meaning of subsection 219(1) of the Regulation. The Issuer is not a "related issuer" of the Applicants within the meaning of subsection 219(1) of the Regulation.
11. Because the Issuer may be a connected issuer of the Applicants, it is anticipated that the underwriting syndicate for the Offering will not comply with the proportionality requirements of clause 224(1)(b) of the Regulation as varied by the 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.
13. The Applicants are registered under the Act in the categories of "broker" and "investment dealer".
14. The nature and details of the relationship between the Issuer, the Applicants, CIBC, RBC and TD will be described in the Preliminary Prospectus and in the Prospectus.
15. The Applicants will receive no benefit relating to the Offering other than the payment of their fees in connection therewith.
16. The decision to issue the Units, including the determination of the terms of the distribution, were made through negotiations between the Issuer and the Applicants without the involvement of CIBC, RBC or TD.
18. The Applicants advise that the Issuer is in good financial condition and that it is not a "specified party" as defined in the Proposed Multi-Jurisdictional Instrument 33-105 *Underwriting Conflicts* (" MJI 33-105").
19. The certificate in the Preliminary Prospectus and in the Prospectus will be signed by each of the Underwriters as required by the Act.
20. The disclosure required by Schedule C to MJI 33-105 will be provided in the Preliminary Prospectus and the Prospectus.

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 requirements of clause 224(1)(b) of the Regulation shall not apply to the Applicants in connection with the Offering provided that the information required by Appendix C to MJI 33-105 is contained in the Preliminary Prospectus and the Prospectus and the Issuer is not a "specified party" as defined in MJI 33-105 at the time of the Offering.

July 25th, 2000.

"J. A. Geller"

"J.F. Howard"

Chapter 3

Reasons: Decisions, Orders and Rulings

THERE IS NO MATERIAL FOR THIS CHAPTER
IN THIS ISSUE

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Chapter 4
Cease Trading Orders

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Chapter 5

Rules and Policies

5.1 Rules and Policies

5.1.1 Rule 54-501 - Prospectus Disclosure in Certain Information Circulars

NOTICE OF RULE 54-501 UNDER THE SECURITIES ACT PROSPECTUS DISCLOSURE IN CERTAIN INFORMATION CIRCULARS

Notice of Rule

The Commission has made Rule 54-501 Prospectus Disclosure in Certain Information Circulars (the "Rule") under section 143 of the *Securities Act* (the "Act").

The Rule and the material required by the Act to be delivered to the Minister of Finance were delivered on October 13, 2000. Unless the Minister rejects the Rule or returns it to the Commission for further consideration, the Rule will come into force on December 31, 2000.

The Rule has been made a rule concurrently with National Instrument 41-501 General Prospectus Requirements and National Instrument 44-101 Short Form Prospectus Distributions.

Substance and Purpose of the Rule

The Rule is derived from Section 24 of OSC Policy 5.1 Prospectus Disclosure in Information Circulars: Amalgamation, Arrangements, Mergers and Reorganizations.

The Rule requires information circulars sent to holders of voting securities of a reporting issuer in respect of a meeting of security holders for which proxies are being solicited and which is being held to consider certain transactions under which securities are to be issued to contain prospectus disclosure. This includes the financial statement and other disclosure that is required to be included in a prospectus if the transaction results in the acquisition of a business.

Summary of Written Comments Received by the Commission

The Commission published for comment a draft of the Rule on March 17, 2000 at (2000), 23 OSCB 1981 (the "March Proposed Rule").

During the comment period, the Commission received submissions from two commenters, Simon Romano and the Canadian Advocacy Council of the Association for Investment Management and Research.

One commenter expressed its support of the March Proposed Rule, in particular, agreeing with disclosure in information circulars that is consistent with prospectus disclosure requirements and supporting harmonization of such disclosure across Canada, urging all Canadian jurisdictions to work together to achieve harmonization of information circular/prospectus disclosure requirements.

Another commenter questioned how the Rule relates to subsection 88(1) of the Act, which makes the Act's information circular requirements inapplicable where corporate law imposes substantially similar requirements. That commenter also questioned the desirability of rigidly prescribing prospectus requirements, concluding that the existing corporate law test of providing sufficient information to enable security holders to make a reasoned decision is more appropriate.

The Commission considered the comment but decided not to change the requirements. The Commission is of the view that information circulars, sent in respect of a meeting to consider a proposed transaction (as specified in the Rule) under which securities are to be distributed, should include, at a minimum, the disclosure prescribed by this Rule. Subsection 88(1) of the Act will continue to apply except in the case of information circulars covered by the Rule.

As a result of consideration of the comments, the Commission has not made any changes to the March Proposed Rule.

Rescission of Section 24 of OSC Policy 5.1

The Commission has rescinded, effective on the date that the Rule comes into force, Section 24 of Ontario Securities Commission Policy 5.1.

The text of the rescission follows:

"Section 24 of Policy 5.1 is hereby rescinded."

Text of Rule

The text of the Rule, which remains unchanged from the March Proposed Rule, follows.

DATED: October 13, 2000

**ONTARIO SECURITIES COMMISSION RULES
RULE 54-501
PROSPECTUS DISCLOSURE IN CERTAIN
INFORMATION CIRCULARS**

PART 1 DEFINITION AND APPLICATION

- 1.1 **Definition of "Dissident Circular"** - In this Rule, "dissident circular" means an information circular that is sent to holders of voting securities of a reporting issuer soliciting proxies otherwise than on behalf of management of the reporting issuer.
- 1.2 **Application** - Subject to section 1.3, this Rule applies only to an information circular that is sent to holders of voting securities of a reporting issuer in respect of a meeting of those holders
- (a) for which proxies are being solicited, and
 - (b) that is being held to consider a statutory amalgamation, statutory arrangement, statutory merger or reorganization involving the reporting issuer and another issuer, under which securities are to be distributed or transferred to security holders of the reporting issuer.
- 1.3 **Exception for Dissident Circulars** - This Rule does not apply to a dissident circular, unless the sender of the dissident circular is proposing a statutory amalgamation, statutory arrangement, statutory merger or reorganization involving the reporting issuer and the sender, under which securities of the sender, or an affiliate of the sender, are to be distributed or transferred to security holders of the reporting issuer.

PART 2 PROSPECTUS DISCLOSURE IN CIRCULARS

- 2.1 **Prospectus Disclosure of Issuers Distributing Securities**
- (1) An issuer sending an information circular, other than a dissident circular, shall include in the information circular the disclosure that would be required in a prospectus if the information circular were a prospectus of each issuer whose securities are being distributed or transferred in connection with the transaction referred to in section 1.2, with necessary modifications.
 - (2) A sender of a dissident circular shall include in the dissident circular the disclosure that would be required in a prospectus if the dissident circular were: (a) a prospectus of the sender, if securities of the sender are to be distributed; or (b) a prospectus of the affiliate, if securities of an affiliate are to be distributed, in either case with necessary modifications.

2.2 **Interpretation of Section 2.1** - The disclosure required under section 2.1 to be included in an information circular concerning an issuer whose securities are being distributed or transferred includes the financial statement and other disclosure, if any, of a business acquired or to be acquired by the issuer prescribed by Part 6 or 7 of Rule 41-501 General Prospectus Requirements or Part 4 or 5 of National Instrument 44-101 Short Form Prospectus Distributions, as applicable.

2.3 **Business Acquisition Disclosure for the Sender of the Circular** - If no disclosure concerning the issuer sending an information circular is required under subsection 2.1(1), the issuer sending the information circular shall include in the information circular the financial statement and other disclosure, if any, that would be required under Part 6 or 7 of Rule 41-501 or Part 4 or 5 of National Instrument 44-101, as applicable, if the information circular were a prospectus of the issuer.

PART 3 EXEMPTION

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

5.1.2 OSC Rule 31-506 - SRO Membership - Mutual Fund Dealers

NOTICE OF RULE UNDER THE SECURITIES ACT

RULE 31-506 SRO MEMBERSHIP - MUTUAL FUND DEALERS

Notice of Rule

The Commission has, under section 143 of the *Securities Act* (the "Act"), made Rule 31-506 SRO Membership - Mutual Fund Dealers (the "Rule"). The Rule and the material required by the Act to be delivered to the Minister of Finance were delivered on October 12, 2000. If the Minister does not approve the Rule, reject the Rule or return it to the Commission for further consideration by December 11, 2000, or if the Minister approves the Rule, the Rule will come into force, pursuant to section 4.1 of the Rule, on January 1, 2001. The date that the Rule comes into force is referred to in this Notice of Rule as the effective date of the Rule.

Mutual fund dealers should begin to plan for the effective date and the requirements of the Rule immediately. If the Commission recognizes the Mutual Fund Dealers Association of Canada (the "MFDA") as a self-regulatory organization for mutual fund dealers, the requirements for mutual fund dealers imposed by the Rule flow from the date that the Commission so recognizes the MFDA. If the Commission recognizes the MFDA, the date of recognition will be published in the Bulletin of the Commission.

Mutual fund dealers should be aware that the processing of applications for membership by the MFDA requires adequate review and may take some time. The Director will have authority to grant exemptions from the Rule and may also consider applications for temporary exemptions in certain circumstances.

Background

Since 1997, the Commission, together with other members of the Canadian Securities Administrators ("CSA"), has encouraged and supported the establishment of the MFDA. The MFDA was created in June 1998 as a non-share capital corporation with an objective of acting as a self-regulatory organization ("SRO") for mutual fund dealers in Canada.

The Commission first published the proposed Rule for a 90-day comment period in October 1997¹ and published proposed changes to the proposed Rule for 30-day comment periods on two occasions; first in June 1998² and most recently on June 16, 2000.³

In December 1999, the MFDA submitted its application to the Commission for recognition as a SRO for mutual fund dealers under section 21.1 of the Act. Concurrently with the June 16, 2000 publication of the proposed Rule, the Commission published for a 90-day comment period:

- The proposed criteria the Commission will use to assess the MFDA in determining whether to recognize the MFDA as a SRO for mutual fund dealers (the "Proposed Criteria"); and
- The response of the MFDA to the Commission's proposed Criteria for recognition.

The draft rules and by-law of the MFDA were attached to the MFDA's response to the Commission's Proposed Criteria for recognition. The Proposed Criteria, the MFDA response to the proposed Criteria and the draft rules and by-law of the MFDA will be referred to in this Notice of Rule as the MFDA Recognition Package.

Substance and Purpose of the Rule

The purpose of the Rule is to address certain regulatory issues that arise in connection with regulatory oversight of mutual fund dealers. The Rule requires all mutual fund dealers to be members of the MFDA once the MFDA is recognized by the Commission as a SRO for mutual fund dealers, within the times set out in the Rule.

The Rule conforms to the fundamental principle in paragraph 4 of section 2.1 of the Act under which the Commission should, subject to an appropriate system of supervision, use the enforcement capability and regulatory expertise of recognized self-regulatory organizations.

Further background to the Rule is given in the Notices published with the October 1997, the June 1998 and June 2000 versions of the Rule.

Summary of the Rule

The Rule will require all mutual fund dealers registered with the Commission in that registration category to:

- Become members of the MFDA if the MFDA is recognized by the Commission as a SRO for mutual fund dealers, by the end of one year and 75 days after the Date of Recognition (this term is defined in the Rule); and
- prepare and submit to the MFDA an application for membership in the form prescribed by the MFDA, together with the MFDA's prescribed fees by certain specified deadlines.

Mutual fund dealers registered with the Commission on the Date of Recognition will be required to file an application for membership and pay the MFDA's prescribed fees within 75 days after the Date of Recognition. Mutual fund dealers will be required to be members of the MFDA on the day that is one year and 75 days after the Date of Recognition.

¹ (1997) 20 OSCB 5051

² (1998) 21 OSCB 3875

³ (2000) 23 OSCB (Supp.) 163

An applicant for registration as a mutual fund dealer after the Date of Recognition will also be required to be a member of the MFDA on the day that is one year and 75 days after the Date of Recognition, if it became registered as a mutual fund dealer before such date. This means that a new applicant can become registered with the Commission as a mutual fund dealer if it meets securities legislative requirements before the day that is one year and 75 days after the Date of Recognition, but it must become a member of the MFDA to continue to be a mutual fund dealer after that date. A new applicant after the Date of Recognition will be required to file an application for membership with the MFDA and pay the prescribed fees on the same date as it files its application to the Commission for registration as a mutual fund dealer in order to be considered for registration as a mutual fund dealer. Any applicant for registration as a mutual fund dealer submitting its application after the day that is one year and 75 days after the Date of Recognition will not be registered unless and until it becomes a member of the MFDA.

The MFDA will make available its application for membership, and details of the amount of the fee that will be levied upon filing of such application through a public statement expected during the fall of 2000.

Summary of Changes to the Rule from the Version Published in June 2000

This section describes changes made in the Rule from the version published for comment in June 2000. As the changes to the Rule are not material, the Rule is not subject to a further comment period. The changes made to the Rule were made in response to comments received.

Definitions

A new defined term "Date of Recognition" has been added. This definition provides that the requirements in the Rule for mutual fund dealers become effective, if the Commission recognizes the MFDA as a SRO for mutual fund dealers, on the date of recognition which date will be published in the Bulletin of the Commission.

Section 3.1

The time period for filing an application for membership with, and paying the prescribed fees to the MFDA has been extended from 30 to 75 days after the date the MFDA is recognized as a SRO for mutual fund dealers. The drafting of this section has been simplified to refer to the Date of Recognition and to delete subsection (2).

Section 4.1

The effective date of the Rule has been set for January 1, 2001.

Section 4.2

The effective date for section 2.1 of the Rule has been extended from one year and 30 days from the effective date of the Rule to one year and 75 days from the Date of

Recognition. This change mirrors the change to section 3.1 of the Rule.

Summary of Written Comments Received by the Commission

No comments were received by the Commission in respect of the first publication of the proposed Rule in October 1997. During the comment period on the June 1998 version of the proposed Rule, five comment letters were received and were summarized in the Notice of Proposed Changes to Proposed Rule 31-506 published in June 2000.

During the comment period on the June 2000 version of the proposed Rule and the MFDA Recognition Package, approximately 430 comment letters were received. All of the comment letters have been delivered to the MFDA for review and response. Copies of the comment letters may be viewed at the office of Micromedia, 20 Victoria Street, Toronto, Ontario (416) 312-5211 or (800) 387-2689.

Commentators on the proposed Rule and the MFDA Recognition Package ranged from trade associations commenting on behalf of their members, such as The Investment Funds Institute of Canada, the Federation of Independent Mutual Fund Dealers, the Investment Counsel Association of Canada, the Independent Financial Brokers of Canada, the Canadian Association of Insurance and Financial Advisors, the Mutual Fund Dealers' Compliance Officers Forum and the Canadian Bankers Association, to many individual sales persons and officials of mutual fund dealer firms. Regulators of insurance distributors, including the Canadian Council of Insurance Regulators, also provided comments on the MFDA Recognition Package.

The Commission thanks all commentators on the Rule and the MFDA Recognition Package for providing their comments. The Commission understands that the wide range of comments received and numbers of commentators are representative of the concern on the part of many mutual fund dealers that the MFDA rules properly reflect the nature of the mutual fund dealers' business.

All of the comments received on the MFDA Recognition Package will be summarized by the MFDA and revisions to the rules and by-laws of the MFDA are expected to be made in response to those comments. The Commission has asked the MFDA to provide a full accounting of the comments and its responses to those comments as part of its revised application for recognition to be delivered to the Commission during the fall of 2000.

Since most of the commentators did not comment specifically or solely on the Rule, the Commission reviewed all comment letters for comments that related specifically to the Rule. The specific comments on the Rule are summarized in this Notice. Certain of the comments on the Rule were made in connection with the June 1998 version of the proposed Rule and the Commission provided its response to those comments in the June 2000 Notice of Proposed Changes to Proposed Rule.

The Commission also reviewed all comment letters received for comments on its proposed Criteria for recognizing the

MFDA as a SRO for mutual fund dealers. The Commission is presently considering these comments, many of which relate to the current board of directors and on-going governance of the MFDA including the on-going involvement of the IDA in the affairs of the MFDA, and will respond to these comments in the course of its decision whether or not to recognize the MFDA.

Commentators also commented on the proposed criteria of the Commission that the rules of the MFDA be the same as other self-regulatory organizations unless business reasons exist for a change. Changes to the Commission's criteria for recognition of the MFDA and the proposed terms and conditions of recognition of the MFDA may result from the Commission's review of the comments. **A summary of the comments that relate to the Commission's proposed criteria for recognition and the proposed terms and conditions of recognition published in June 2000 will be published prior to or contemporaneously with the Commission's recognition of the MFDA as a SRO.**

The following is a summary of the comments received on the Rule, together with the Commission's responses and, where applicable, the changes adopted by the Commission. As the changes to the June 2000 version of the Rule are not material, the Rule is not subject to a further comment period.

Stakeholders have been given insufficient time to comment on the proposed Rule and the MFDA Recognition Package.

Commission Response: The Commission notes that the Rule was published for comment three times, each time with a detailed description of the substance and purpose of the proposed Rule. Commission staff have also communicated repeatedly with registered mutual fund dealers since 1997 on the proposal to establish the MFDA. The Commission considers that the 90-day comment period on the MFDA Recognition Package, when coupled with the extensive consultation with industry participants carried out by the staff of the MFDA, with the involvement of Commission staff over the course of the development of the proposed rules and by-law of the MFDA, was sufficient notice to industry participants of the proposed organization and rules of the MFDA.

Membership in the MFDA should not be mandatory for firms registered as advisers in the category of investment counsel/portfolio managers and also as mutual fund dealers.

Substance of Comment: Membership in the MFDA is inappropriate for companies registered as advisers in the category of investment counsel/portfolio manager (ICPMs) and who are also registered as mutual fund dealers. Certain of these registrants also sell units of mutual funds that are managed by them and sold to clients who have signed discretionary management agreements with them. ICPMs acting in this manner should be required to be registered as mutual fund dealers and therefore would be expected to be members of the MFDA. However, where an ICPM manages assets on a discretionary basis and in the course of such management, also distributes units of its managed private pooled funds, an exemption from membership in the MFDA is appropriate. It was suggested that membership in the MFDA should be required to the extent that the ICPMs in question offer mutual funds on a non-discretionary basis (in respect of the non-discretionary portion of their business).

Commission Response: The Commission has not amended the Rule to differentiate amongst the various companies registered as mutual fund dealers. The Commission noted in the June 2000 Notice of Proposed Rule that, for example, registrants that are registered as mutual fund dealers, but that carry on the principal business of acting as sponsor and manager of mutual funds, will be required to become members of the MFDA within the time limits established by the Rule. The Commission urged these registrants to review the draft rules and by-law of the MFDA to determine whether they wished to become members of the MFDA. If these registrants do not wish to become members of the MFDA, the Commission advised these registrants to change their business structures and surrender their registration as mutual fund dealers. In light of the comments received on the June 2000 version of the proposed Rule, the Commission will consider further what guidance can be given to advisers also registered as mutual fund dealers as to (i) the need for registration as mutual fund dealers in respect of certain activities carried on by such registrants and (ii) the possibility of exemptive relief being granted to these registrants if they ask for it in respect of all or a portion of their business.

The "heavy hand of a regulatory environment" will not eliminate those who do not uphold appropriate standards and will instead create a heavy burden on those who uphold the standards of the industry.

Substance of Comment: Several commentators indicated that mandatory membership in a SRO is unnecessary because of the commentators' experience and honesty.

Commission Response: While the MFDA will create additional responsibilities and costs for registrants, these requirements help to ensure the integrity of the industry as a whole and provide the benefits of a SRO. The Commission has noted in this Notice of Rule, as it has in the past Notices, the reasons why it is working towards all mutual fund dealers becoming members of a SRO. The Commission also notes that many commentators acknowledged the necessity of the MFDA as a SRO for the mutual fund distribution industry in order to better protect the investing public.

Because of the timing of the coming into force of the Rule, future members will be required to apply during the 2001 RRSP season, a busy period of the year.

Substance of Comment: The RRSP season (that is, from January 1 until March 31) is traditionally the busiest time of the year for mutual fund dealers. Since not all information has been provided, mutual fund dealers have limited ability to prepare the necessary data in advance. In addition commentators noted that some dealers and salespersons will want to rearrange their business operations prior to making the application for membership and accordingly need time to do this. Commentators suggested that the application period should commence effective April 1, 2001 and last for 60 days, provided that mutual fund dealers have been given a copy of the application in advance.

Commission Response: Mutual fund dealers should begin to plan for the transition immediately. The MFDA will post the application for membership and a description of the application

fees on its website (www.mfda.ca) during the fall of 2000. In response to this comment, the Commission has amended the Rule to provide a longer time period (75 days rather than 30 days) during which mutual fund dealers must apply for membership following the Date of Recognition. If the MFDA is recognized as a SRO for mutual fund dealers during January 2001, mutual fund dealers will be required to apply for membership with the MFDA during April 2001, which the Commission notes is after the 2001 RRSP selling season.

The costs of and coverage to be provided by the MFDA Investor Protection Fund should be determined and publicized prior to the Rule coming into force. It is inappropriate to force mutual fund dealers to join an SRO whose costs are unknown.

Substance of Comment: Commentators understand that mandatory membership in the MFDA will also mean mandatory participation in a MFDA Investor Protection Fund. Commentators indicate that they find it impossible to properly comment on the MFDA without knowing the levels of required participation in the MFDA Investor Protection Fund and urge the MFDA and the Commission to publish a description for comment of the MFDA Investor Protection Fund prior to recognition of the MFDA.

Commission Response: An essential term and condition of any Commission recognition of the MFDA is that the MFDA establish a MFDA Investor Protection Fund tailored for members and the risks associated with members' business. Once the details of the MFDA Investor Protection Fund are known, these details will be published and made available. The details of the MFDA Investor Protection Fund are appropriately being worked out by the board of the Fund – and not by the board of the MFDA. The Fund is independent from the MFDA, as is appropriate. The Commission will determine whether a public comment period is necessary for the proposed levels of participation in the Fund by members.

The registration fees payable to the Commission should be reduced once the MFDA is operative and members are paying fees to the MFDA to recognize that the Commission will no longer be required to perform or extend resources to the regulation of dealers and salespersons.

Substance of Comment: Commentators note that the Canadian securities regulatory authorities, including the Commission, will benefit from the establishment of the MFDA and should be paying for the MFDA regulatory services either directly or indirectly through a decrease in fees payable by mutual fund dealers to the Canadian securities regulatory authorities.

Commission Response: The Commission notes the commitment highlighted in its 2000/2001 Statement of Priorities that it will develop and implement a more streamlined fee structure which will align the Commission's revenues more closely with its costs. The Commission expects that its new fee structure will address this comment. A concept proposal describing the Commission's new fee structure will be published for comment.

The Commission, and the other Recognizing Jurisdictions, should share the start-up costs of the MFDA.

Substance of Comment: Commentators suggested that since the Commission and the other Recognizing Jurisdictions have been involved in, and have encouraged the start-up of the MFDA, these regulators should bear a portion of the start-up costs of the MFDA. One commentator suggests that the Commission, and the other Recognizing Jurisdictions, should share the MFDA's funding requirements for the first five years of its existence which will reduce the negative impact of any decision of current financial institution controlled mutual fund dealers transferring their business to their related or affiliated investment dealer.

Commission Response: Commentators commenting on the funding of start-up costs of the MFDA and the fee structures of the Commission and the other Recognizing Jurisdictions often made these comments in conjunction with comments on the proposed fee model of the MFDA. The comments on the fee model of the MFDA will be considered by the MFDA, but as noted above, the Commission has considered the comments on the start-up costs and the fee structures of the Commission. The Commission considers that its guarantee of the MFDA \$12 million line of credit to be considerable financial support of the MFDA and does not propose to fund any costs of the MFDA directly.

The Commission should include a "three year maximum sunset clause" into the Rule.

Substance of Comment: Commentators urge the Commission to again consider a "three year maximum sunset clause" on the Rule, as the Rule "represents a major structural change in the industry, whose costs and effects cannot even begin to be determined".

Commission Response: The Commission considered this comment in conjunction with proposing the June 2000 version of the Rule and rejected it at that time as a overly cumbersome method of ensuring oversight of the regulatory regime for mutual fund dealers. The Commission will oversee the MFDA, once it is recognized, and will through its oversight, consider the effects of the MFDA/SRO regulatory regime on mutual fund dealers.

Text of Rule 31-506 SRO Membership - Mutual Fund Dealers

The text of the Rule follows.

Dated: October 13, 2000

**ONTARIO SECURITIES COMMISSION RULE 31-506
SRO MEMBERSHIP - MUTUAL FUND DEALERS**

4.2 Effective Date of Section 2.1 for Mutual Fund Dealers - Despite section 4.1, section 2.1 shall be effective for a mutual fund dealer on the day that is one year and 75 days after the Date of Recognition.

PART 1 DEFINITIONS

1.1 Definitions - In this Rule

1.1 "MFDA" means the Mutual Fund Dealers Association of Canada, a self-regulatory organization for mutual fund dealers.

"Date of Recognition" means, if the MFDA is recognized by the Commission as a self-regulatory organization for mutual fund dealers under section 21.1 of the Act, the date of recognition published in the Bulletin of the Commission.

PART 5 EXEMPTION

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

PART 2 MEMBERSHIP REQUIRED

2.1 Membership Required - A mutual fund dealer shall be a member of the MFDA.

PART 3 APPLICATION FOR MEMBERSHIP

3.1 Mutual Fund Dealers on Effective Date - A mutual fund dealer which is a mutual fund dealer on the Date of Recognition shall file with the MFDA, within 75 days after the Date of Recognition:

- (a) an application for membership in the form prescribed by the MFDA; and
- (b) the fees prescribed by the MFDA for the application for membership.

3.2 New Applicants for Registration as Mutual Fund Dealers - A person or company that applies to the Commission for registration as a mutual fund dealer on or after the Date of Recognition shall file with the MFDA:

- (a) an application for membership in the form prescribed by the MFDA; and
- (b) the fees prescribed by the MFDA for the application for membership

on the same date as it files its application for registration with the Commission as a mutual fund dealer.

PART 4 EFFECTIVE DATE

4.1 Effective Date for Rule - This Rule shall come into force on January 1, 2001.

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Chapter 6

Request for Comments

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IN THIS ISSUE

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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>
11Sep00	1430564 Ontario Inc. - Floating Rate Exchangeable Debentures, Series 2000	176,160,000	176,160,000
06Sep00 & 11Sep00	Acuity Pooled Canadian Equity Fund - Units	508,272	24,057
08Sep00	Algorithmics Incorporated - Convertible Notes	US\$60,000,000	\$4
20Sep00	# Bonham & Co. Inc. American High Risk Fund - Units	78,400	5,722
31Aug00	C.I. Trident Fund - Units	150,000	895
13Sep00	Celebrity InfoNet Corporation - Special Warrants	499,999	666,666
09Aug00	CIBC Employee Private Equity Fund (Canada) I, L.P. - Limited Partnership Interests	1,434,299	1,434,299
31Aug00	Circadence Corporation - Common Stock	195,000	195,000
06Sep00	Continental Energy Corporation - Common Shares	160,000	200,000
11Sep00	# Cytovax Biotechnologies Inc. - Special Warrants	750,000	187,500
15Sep00	Daedalian Systems Group Inc. - 12% Convertible Notes	3,900,000	3,900,000
15Sep00	Fleming Canada Offshore Select Trust - Units	251	1,790
15Sep00	Friede Goldman Halter Inc. - Common Stock	US\$16,875	2,500
18Sep00	Friede Goldman Halter Inc. - Common Stock	US\$17,816	2,500
15Sep00	Friede Goldman Halter Inc. - Common Stock	US\$454,275	67,300
18Sep00	Friede Goldman Halter Inc. - Common Stock	US\$482,477	67,700

Notice of Exempt Financings

<u>Trans. Date</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
15Sep00	Futureway Communications Inc. - Special Warrants	60,000,004	14,117,648
20Sep00	Galileo Private Special Equity Fund - Units	1,230,000	120,365
30Aug00	Incanta, Inc. - Series B Preferred Stock	US\$4,000,000	3,883,495
29Jul00	iPerformance Fund Corp. - Special Warrants	480,000	480,000
08Sep00	K2 Energy Corp. - Units	164,500	350,000
13Sep00	KBSH Canadian Bond Fund - Units	150,000	7,496
14Sep00	KBSH Canadian Balanced Pooled Fund - Units	614,250	15,369
13Sep00	KBSH Canadian Equity Fund - Units	150,000	3,475
14Sep00	KBSH Canadian Balanced Pooled Fund - Units	446,500	11,171
15Sep00	Kingwest Avenue Portfolio - Units	216,800	10,586
15Sep00	Lanux Limited - Units	450,000	450,000
07Sep00	MDS Proteomics Inc. - Special Warrants	550,000	20,000
14Sep00	MediaVentures Productions Limited Partnership - Limited Partnership Units	21,39,524	20,855
17Aug00	MediSolution Ltd.- Common Shares	221,250	125,000
21Sep00	OmniSky Corporation - Common Stock	13,355	750
18Aug00	Provenance Systems Inc. - First Preferred Shares, Series B2	US\$801,920	187,204
12Sep00	Sanford C. Bernstein Global Equity Fund - Units	4,000,000	162,535
14Sep00	Sentinel Hill Alliance Atlantis Equicap Millennium Limited Partnership - Units	80,095,535	5,005
22Sep00	SkyWave Mobile Communications Inc. - Class A Preferred Shares	750,000	130,366
19Sep00	SLMsoft.com Inc. - 5% Convertible Unsecured Debenture	2,229,000	2,229,000
20Sep00	Southernera Resources Limited - Units	925,000	500,000
12Sep00	Spectrum Signal Processing Inc. - Special Warrant	2,008,996	1,764,705
25Aug00	Starvision Multimedia Corporation - Series D Preference Shares	12,449,674	121,496
30Aug00	Tagalder (20000 Inc.) - Common Shares	150,000	15,000,000
18Jul00	TCT Logistics Inc. - Convertible Debenture	23,000,000	23,000,000
18Sep00 to 22Sep00	Trimark Mutual Funds - Units (See Filing document for Individual Fund Names)	1,533,235	181,994

Resale of Securities - (Form 45-501f2)

<u>Date of Resale</u>	<u>Date of Orig. Purchase</u>	<u>Seller</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
19Sep00 & 20Sep00		Bain, Richard A.	Centurion Energy International Inc. - Common Shares	35,093	37,000

Notice of Exempt Financings

19Sep00		Cervus Corporation	Cervus Corporation - Series One Preferred Shares	800,000	133,333
19Sep00	28Jun99	Investors Group Trust Co. Ltd. as Trustee for Investors Corporate Bond Fund	Telesar Court Inc. - 7.4% Series 99-A Debenture due 28June06	296,382,000	3,000,000
20Sep00 & 21Sep00	04Feb00	Investors Group Trust Co. Ltd. as Trustee for Investors Canadian Small Cap	Xenos Group Inc, The - Common Shares	264,651	57,000

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

<u>Name of Company</u>	<u>Date the Company Ceased to be a Private Company</u>
30Nov99	Navaho Networks Inc.

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

<u>Seller</u>	<u>Security</u>	<u>Amount</u>
Scanfield Holdings Limited	Arbor Memorial Services Inc. - Class B Non-Voting Shares	15,000
Viceroy Resource Corporation	Channel Resources Ltd. - Common Shares	7,077,850
Kamionka, Diane M.	Cintech Tele-Management Systems Inc. -	17,500
Xenolith Gold Limited	Kookaburra Resources Ltd. - Common Shares	760,124
Paytel Canada Inc.	National Electronic Technologies Corp. - Common Shares	3,000,000
Paytel Canada Inc.	National Electronic Technologies Corp. - Common Shares	5,000,000
Oncan Canadian Holdings Ltd.	Onex Corporation - Subordinate Voting Shares	980,292
Mourin, Barbara	Western Troy Capital Resources Inc. - Common Shares	40,000
Mourin, Stanley	Western Troy Capital Resources Inc. - Common Shares	60,000

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Chapter 9
Legislation

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IN THIS ISSUE

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

01 Communique Laboratory Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated October 4th, 2000
Mutual Reliance Review System Receipt dated October 6th, 2000

Offering Price and Description:

\$11,502,210 - 1,917,035 Common Shares issuable on the exercise of Special Warrants

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

Taurus Capital Markets Ltd.

Promoter(s):

Andrew Cheung
Project #302767

Issuer Name:

Aur Resources Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated October 4th, 2000
Mutual Reliance Review System Receipt dated October 6th, 2000

Offering Price and Description:

\$29,000,000 - 10,000,000 Common Shares

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

CIBC World Markets Inc.
Research Capital Corporation
Canaccord Capital Corporation
NewCrest Capital Inc.
Paradigm Capital Inc.
Sprott Securities Inc.

Promoter(s):

N/A
Project #302622

Issuer Name:

Chou Associates Fund
Chou RRSP Fund

Type and Date:

Preliminary Simplified Prospectus dated October 3rd, 2000
Received October 5th, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

N/A

Promoter(s):

Chou Associates Management Inc.
Project #301826

Issuer Name:

ConjuChem Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated September 29th, 2000
Mutual Reliance Review System Receipt dated October 4th, 2000

Offering Price and Description:

\$ * - * Common Shares

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

Yorkton Securities Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.

Promoter(s):

N/A
Project #302329

Issuer Name:

The Descartes Systems Group Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated October 10th, 2000
Mutual Reliance Review System Receipt dated October 10th, 2000

Offering Price and Description:

\$192,000,000 - 3,000,000 Common Shares

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

Griffiths McBurney & Partners
Merrill Lynch Canada Inc.
RBC Dominion Securities Inc.

Promoter(s):

N/A
Project #303349

Issuer Name:

Electrofuel Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated October 4th, 2000
Mutual Reliance Review System Receipt dated October 5th, 2000

Offering Price and Description:

\$ * - * Common Shares

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

N/A

Promoter(s):

Sankar Das Gupta
James Jacobs
Project #302604

Issuer Name:

Graniz Mondal Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated October 4th, 2000
Mutual Reliance Review System Receipt dated October 10th, 2000

Offering Price and Description:

\$1,100,000 to \$2,000,000 - * Common Shares

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

Georgia Pacific Securities Corporation

Promoter(s):

Joel Scodnick

Project #303232

Issuer Name:

Mindready Solutions Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated October 6th, 2000
Mutual Reliance Review System Receipt dated October 10th, 2000

Offering Price and Description:

\$* - * Subordinate Voting Shares

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

RBC Dominion Securities Inc.

CIBC World Markets Inc.

Yorkton Securities Inc.

Desjardins Inc.

Promoter(s):

N/A

Project #303253

Issuer Name:

Miramar Mining Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated October 3rd, 2000
Mutual Reliance Review System Receipt dated October 4th, 2000

Offering Price and Description:

\$4,000,200 - 3,333,500 Common Shares

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

MacLachlan Investments Corporation

Promoter(s):

N/A

Project #302381

Issuer Name:

N-45° First CMBS Issuer Corporation
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Prospectus dated October 3rd, 2000
Mutual Reliance Review System Receipt dated October 4th, 2000

Offering Price and Description:

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

Scotia Capital Inc.

National Bank Financial Inc.

BMO Nesbitt Burns Inc.

TD Securities Inc.

Valeurs mobilières Desjardins Inc.

Promoter(s):

Hypothèques CDPQ Inc.

Project #302582

Issuer Name:

Urbana.ca, Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated October 6th, 2000
Mutual Reliance Review System Receipt dated October 10th, 2000

Offering Price and Description:

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

Groome Capital.com Inc.

Promoter(s):

N/A

Project #303267

Issuer Name:

Yorkton Knowledge Industries Fund (Formerly Lion Knowledge Industries Fund)
Lion Natural Resources Fund
Yorkton Health Sciences Fund (Formerly Lion Global Knowledge Industries Fund)
Principal Regulator - Ontario

Type and Date:

Amended and Restated Simplified Prospectus and Annual Information Form dated September 27th, 2000 Amending and Restating the Simplified Prospectus and Annual Information Form dated December 30, 1999
Mutual Reliance Review System Receipt dated 11th day of October 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

N/A

Promoter(s):

Lion Funds Management Inc.

Project #221024

Issuer Name:

Trimark Interest Fund
Trimark Government Income Fund
Trimark Canadian Bond Fund
Trimark Advantage Bond Fund
Trimark U.S. Money Market Fund
Trimark Global High Yield Bond Fund
Trimark Income Growth Fund
Trimark Select Balanced Fund
Trimark Global Balanced Fund
Trimark Canadian Fund
Trimark RSP Equity Fund
Trimark Select Canadian Growth Fund
Trimark Enterprise Fund
Trimark Canadian Small Companies Fund
Trimark Enterprise Small Cap Fund
Trimark U.S. Companies Fund
Trimark Fund
Trimark Select Growth Fund
Trimark International Companies Fund
Trimark Europlus Fund
Trimark Indo-Pacific Fund
Trimark Americas Fund
Trimark Canadian Resources Fund
Trimark Discovery Fund
Trimark Global High Yield Bond Fund
Trimark Global Balanced RSP Fund
Trimark U.S. Companies RSP Fund
Trimark Select Growth RSP Fund
Trimark International Companies RSP Fund
Trimark Europlus RSP Fund
Trimark Indo-Pacific RSP Fund
The Americas RSP Fund
Trimark Discovery RSP Fund

Type and Date:

Amended & Restated Simplified Prospectus and Annual Information Form dated October 5th, 2000 Amending & Restating the Simplified Prospectus and Annual Information Form dated August 22nd, 2000
Mutual Reliance Review System Receipt dated 10th day of October, 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 #280671

Issuer Name:

AIM Canada Fund Inc.-AIM Canada Income Class
AIM Canada Fund Inc.-AIM Canada First Class (Formerly AIM Canada Fund Inc.-AIM Canada Value Class)
AIM Canada Fund Inc.-AIM Canada Growth Class
AIM Global Fund Inc.-AIM American Mid Cap Growth Class(Formerly AIM Global Fund Inc.-AIM America Growth Class)
AIM Global Fund Inc.-AIM Short-Term Income Class
AIM Global Fund Inc.-AIM Global Theme Class
AIM Global Fund Inc.-AIM Pacific Growth Class
AIM Global Fund Inc.-AIM Latin America Growth Class
AIM Global Fund Inc.-AIM Global Health Sciences Class
AIM Global Fund Inc.-AIM Global Natural Resources Class
AIM Global Fund Inc.-AIM Global Telecommunications Class
AIM Canada Money Market Fund
AIM Canadian Bond Fund
AIM Canadian Balanced Fund
AIM Canadian Premier Fund
AIM American Blue Chip Growth Fund(Formerly AIM American Premier Fund)
AIM American Aggressive Growth Fund
AIM Global Bond Fund
AIM Global Growth & Income Fund
AIM International Value Fund
AIM European Growth Fund
AIM Global Health Sciences Fund
AIM Global Technology Fund

Type and Date:

Amendment #2 dated October 5th, 2000 to Simplified Prospectus and Annual Information Form dated August 25th, 1999

Mutual Reliance Review System Receipt dated 10th day of October, 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 #192427

Issuer Name:

AIM Global Fund Inc. - AIM Dent Demographic Trends Class
AIM Global Fund Inc. - AIM Global Aggressive Growth Class
AIM Global Fund Inc. - AIM International Growth Class
AIM RSP Dent Demographic Trends Fund
AIM RSP Global Aggressive Growth Fund
AIM RSP International Growth Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 5th, 2000 to Simplified Prospectus and Annual Information Form dated June 23rd, 2000

Mutual Reliance Review System dated 10th day of October, 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 #256664

Issuer Name:

AIM RSP American Blue Chip Growth Fund (Formerly AIM American Premier Fund)

AIM RSP European Growth Fund

AIM RSP Global Growth & Income Fund

AIM RSP Global Theme Fund

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 5th, 2000 to Simplified Prospectus and Annual Information Form dated October 6th, 1999

Mutual Reliance Review System dated 10th day of October, 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 #189191

Issuer Name:

AIM RSP Global Health Sciences Fund

AIM RSP Global Technology Fund

AIM RSP Global Telecommunications Fund

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated October 5th, 2000 to Simplified Prospectus and Annual Information Form dated November 18th, 1999

Mutual Reliance Review System Receipt dated 10th day of October, 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 #209983

Issuer Name:

Trimark Fund

Trimark Select Growth Fund

Trimark International Companies Fund

Trimark U.S. Companies Fund

The Americas Fund

Trimark Indo-Pacific Fund

Trimark Discovery Fund

Trimark Europlus Fund

Trimark Canadian Fund

Trimark RSP Equity Fund

Trimark Select Canadian Growth Fund

Trimark Enterprise Fund

Trimark Canadian Resources Fund

Trimark Canadian Small Companies Fund

Trimark Enterprise Small Cap Fund

Trimark Global Balanced Fund

Trimark Income Growth Fund

Trimark Select Balanced Fund

Trimark Global High Yield Bond Fund

Trimark Government Income Fund

Trimark Canadian Bond Fund

Trimark Advantage Bond Fund

Principal Ontario - Ontario

Type and Date:

Amendment #2 dated October 5th, 2000 to Simplified Prospectus and Annual Information Form dated February 4th, 2000

Mutual Reliance Review System Receipt dated 10th day of October, 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 #229227

Issuer Name:

Trimark Select Growth RSP Fund

The Americas RSP Fund

Trimark Indo-Pacific RSP Fund

Trimark Europlus RSP Fund

Trimark Discovery RSP Fund

Trimark International Companies RSP Fund

Trimark U.S. Companies RSP Fund

Trimark Global Balanced RSP Fund

Trimark Global High Yield Bond RSP Fund

Principal Regulator - Ontario

Type and Date:

Amendment #2 dated October 5th, 2000 to Simplified Prospectus and Annual Information Form dated February 4th, 2000

Mutual Reliance Review System Receipt dated 10th day of October, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

Promoter(s):

AIM Funds Management Inc.

Project #229980

Issuer Name:

Trimark RSP Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated October 5th, 2000 to Simplified Prospectus and Annual Information Form dated December 2nd, 1999

Mutual Reliance Review System Receipt dated 10th day of October, 2000

Offering Price and Description:

Mutual Fund Units - Net Asset Value

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

AIM Funds Management Inc.

Promoter(s):

AIM Funds Management Inc.

Project #215525

Issuer Name:

Financial Services Income STREAMS Corporation
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated September 29th, 2000

Mutual Reliance Review System Receipt dated 29th day of September, 2000

Offering Price and Description:

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

Merrill Lynch Canada Inc.

TD Securities Inc.

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

National Bank Financial Inc.

BAYSTREETDIRECT Inc.

Bieber Securities Inc.

Canaccord Capital Corporation

Goepel McDermid Inc.

Yorkton Securities Inc.

Promoter(s):

Quadravest Capital Management Inc.

Project #288919

Issuer Name:

Grenville Gold Corporation

Type and Date:

Final Prospectus dated October 5th, 2000

Received 11th day of October, 2000

Offering Price and Description:

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

Goepel McDermid Inc.

Promoter(s):

Timothy John Beesley

Campbell James Laidlaw

Vern Edward Schwarz

Project #295528

Issuer Name:

Brookfield Properties Corporation
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

Cdn\$* (US\$*) - 8,000,000 Common Shares

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

CIBC World Markets Inc.

Merrill Lynch Canada Inc.

Trilon Securities Corporation

Promoter(s):

N/A

Project #302131

Issuer Name:

Fortis Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated October 13, 2000

Mutual Reliance Review System Receipt dated 6th day of October, 2000

Offering Price and Description:

\$51,750,000.00 - 1,500,000 Common Shares

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

Scotia Capital Inc.

CIBC World Markets Inc.

Promoter(s):

N/A

Project #301550

Issuer Name:

Global Thermoelectric Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated September 22, 2000

Mutual Reliance Review System Receipt dated 22nd day of September, 2000

Offering Price and Description:

2,900,000 Common Shares Issuable Upon the Exercise of Special Warrants

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

Sprott Securities Limited

Goepel McDermid Inc.

TD Securities Inc.

Promoter(s):

Pery James

Project #298210

Issuer Name:

Biotechnology Trust, 2000 Portfolio
 Communications Trust, 2000 Portfolio
 Global Financial Services Trust, 2000 Portfolio
 Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form dated October 6th, 2000
 Mutual Reliance Review System Receipt dated 11th day of October, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

First Defined Portfolio Management Inc.

Promoter(s):

First Defined Portfolio Management Inc.

Project #291478

Issuer Name:

MAESTRAL Money Market Fund
 MAESTRAL Canadian Bond Fund
 MAESTRAL Asset Mix Fund
 MAESTRAL Canadian Equity Fund
 MAESTRAL Growth Fund
 MAESTRAL American Equity Fund
 MAESTRAL Global Equity Fund
 MAESTRAL Global Equity RSP Fund
 MAESTRAL Technology & Telecommunications Fund
 MAESTRAL Health & Biotechnology Fund
 Principal Regulator - Quebec

Type and Date:

Final Simplified Prospectus and Annual Information Form dated September 29th, 2000
 Mutual Reliance Review System Receipt dated 6th day of October, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

Desjardins Investment Services Inc.

Promoter(s):

Desjardins Trust Inc.

Project #281873

Issuer Name:

TD Canadian Money Market Fund
 (formerly Green Line Canadian Money Market Fund)
 TD Canadian T-Bill Fund
 (formerly Green Line Canadian T-Bill Fund)
 TD Premium Money Market Fund
 (formerly Green Line Premium Money Market Fund)
 TD Money Market Plus Fund
 (formerly Canada Trust Premium Money Market Fund)
 TD U.S. Money Market Fund
 (formerly Green Line U.S. Money Market Fund)
 TD Canadian Bond Fund
 (formerly Green Line Canadian Bond Fund)
 TD Real Return Bond Fund
 (formerly Green Line Real Return Bond Fund)
 TD Short Term Monthly Income Fund
 (formerly Green Line Short Term Income Fund)
 TD Short Term Bond Fund
 (formerly Canada Trust Short Term Bond Fund)
 TD Monthly Income Fund
 (formerly Canada Trust Monthly Income Fund)
 TD Mortgage Fund
 (formerly Canada Trust Mortgage Fund)
 TD Global Government Bond Fund
 (formerly Green Line Global Government Bond Fund)
 TD Global RSP Bond Fund
 (formerly Green Line Global RSP Bond Fund)
 TD High Yield Fund
 (formerly Canada Trust High Yield Income Fund)
 TD Balanced Growth Fund
 (formerly Green Line Balanced Growth Fund)
 TD Balanced Income Fund
 (formerly Green Line Balanced Income Fund)
 TD Balanced Fund
 (formerly Canada Trust Balanced Fund)
 TD Asset Allocation Fund
 (formerly Canada Trust Global Asset Allocation Fund)
 TD Canadian Blue Chip Equity Fund
 (formerly Green Line Blue Chip Equity Fund)
 TD Canadian Equity Fund
 (formerly Green Line Canadian Equity Fund)
 TD Canadian Stock Fund
 (formerly, Canada Trust Stock Fund)
 TD Canadian Value Fund
 (formerly Green Line Value Fund)
 TD Canadian Small-Cap Equity
 (formerly Green Line Canadian Small Cap Equity Fund)
 TD Special Equity Fund
 (formerly Canada Trust Special Equity Fund)
 TD Dividend Growth Fund
 (formerly Green Line Dividend Fund)
 TD Dividend Income Fund
 (formerly Canada Trust Dividend Income Fund)
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 TD AmeriGrowth RSP Fund
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TD North American Equity Fund
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TD Energy Fund
(formerly Green Line Energy Fund)
TD Resource Fund
(formerly Green Line Resource Fund)
TD Precious Metals
(formerly Green Line Precious Metals Fund)
TD Health Sciences RSP Fund
TD Health Sciences Fund
(formerly Green Line Health Sciences Fund)
TD Science & Technology RSP Fund
(formerly Green Line Science & Technology RSP Fund)
TD Science & Technology Fund
(formerly Green Line Science & Technology Fund)
TD Entertainment & Communications RSP Fund
TD Entertainment & Communications Fund
(formerly Green Line Entertainment & Communications Fund)
TD AsiaGrowth RSP Fund
(formerly Canada Trust AsianGrowth Fund)
TD Asian Growth Fund
(Green Line Asian Growth Fund)
TD Emerging Markets RSP Fund
TD Emerging Markets Fund
(formerly Green Line Emerging Markets Fund)
TD European Growth Fund
(formerly Green Line European Growth Fund)
TD EuroGrowth RSP Fund
(formerly Canada Trust EuroGrowth Fund)
TD Global Select Fund
(formerly Green Line Global Select Fund)
TD Global Select RSP Fund
(formerly Green Line Global Select RSP Fund)
TD International Growth Fund
(formerly Green Line International Equity Fund)
TD GlobalGrowth RSP Fund
(formerly Canada Trust GlobalGrowth Fund)
TD International Equity Fund
(formerly Canada Trust International Equity Fund)
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TD Canadian Government Bond Index Fund
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TD Balanced Index Fund
(formerly Canada Trust Balanced Index Fund)
TD Canadian Index Fund
(formerly Green Line Canadian Index Fund)
TD Dow Jones Industrial Average Index Fund
(formerly Green Line Dow Jones Industrial Average Index Fund)
TD U.S. Index Fund
(formerly Green Line U.S. Index Fund)
TD U.S. RSP Index Fund
(formerly Green Line U.S. RSP Index Fund)
TD Nasdaq RSP Index Fund
(formerly Green Line Nasdaq RSP Index Fund)
TD European Index Fund
(formerly Green Line European Index Fund)
TD International RSP Index Fund
(formerly Green Line International RSP Index Fund)
TD International Index Fund
(formerly Canada Trust International Equity Index Fund)
TD Japanese Index Fund
(formerly Green Line Japanese Index Fund)
TD International RSP Index Fund

(formerly Green Line International RSP Index Fund)
TD International Index Fund
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TD Japanese Index Fund
(formerly Green Line Japanese Index Fund)
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(formerly Green Line U.S. Blue Chip Equity RSP Fund)
TD Energy Fund
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TD Resource Fund
(formerly Green Line Resource Fund)
TD Precious Metals
(formerly Green Line Precious Metals Fund)
TD Health Sciences Fund
(formerly Green Line Health Sciences Fund)
TD Science & Technology RSP Fund
(formerly Green Line Science & Technology RSP Fund)
TD Science & Technology Fund
(formerly Green Line Science & Technology Fund)
TD Entertainment & Communications Fund
(formerly Green Line Entertainment & Communications Fund)
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TD Emerging Markets Fund
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TD European Growth Fund
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TD Japanese Growth Fund
(formerly Green Line Japanese Growth Fund)
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(formerly Green Line Latin American Growth Fund)
TD Canadian Government Bond Index Fund
(formerly Green Line Canadian Government Bond Index Fund)
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TD Canadian Index Fund
(formerly Green Line Canadian Index Fund)
TD Dow Jones Industrial Average Index Fund
(formerly Green Line Dow Jones Industrial Average Index Fund)
TD U.S. Index Fund
(formerly Green Line U.S. Index Fund)
TD U.S. RSP Index Fund
(formerly Green Line U.S. RSP Index Fund)
TD Nasdaq RSP Index Fund
(formerly Green Line Nasdaq RSP Index Fund)
TD European Index Fund
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TD International RSP Index Fund
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TD International Index Fund
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Institutional Series of:
TD Canadian Money Market Fund

(formerly Green Line Canadian Money Market Fund)
TD Short Term Monthly Income Fund
(formerly Green Line Short Term Income Fund)
TD Mortgage Fund
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TD Canadian Bond Fund
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TD Resource Fund
(formerly Green Line Resource Fund)
TD Health Sciences RSP Fund
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TD Science & Technology RSP Fund
(formerly Green Line Science & Technology RSP Fund)
TD Science & Technology Fund
(formerly Green Line Science & Technology Fund)
TD Entertainment & Communications RSP Fund
TD Entertainment & Communications Fund
(formerly Green Line Entertainment & Communications Fund)
TD Global Select Fund
(formerly Green Line Global Select Fund)
TD Global Select RSP Fund
(formerly Green Line Global Select RSP Fund)
TD International Equity Fund
(formerly Canada Trust International Equity Fund)
TD International Growth Fund
(formerly Green Line International Equity Fund)
TD Emerging Markets RSP Fund
TD Emerging Markets Fund
(formerly Green Line Emerging Markets Fund)
TD Canadian Government Bond Index Fund
(formerly Green Line Canadian Government Bond Index Fund)
TD Canadian Bond Index Fund
(formerly Canada Trust Canadian Bond Index Fund)
TD Canadian Index Fund
(formerly Green Line Canadian Index Fund)
TD Dow Jones Industrial Average Index Fund
(formerly Green Line Dow Jones Industrial Average Index Fund)
TD U.S. Index Fund
(formerly Green Line U.S. Index Fund)
TD U.S. RSP Index Fund
(formerly Green Line U.S. RSP Index Fund)

TD Nasdaq RSP Index Fund
(formerly Green Line Nasdaq RSP Index Fund)
TD European Index Fund
(formerly Green Line European Index Fund)
TD International RSP Index Fund
(formerly Green Line International RSP Index Fund)
TD International Index Fund
(formerly Canada Trust International Equity Index Fund)
TD Japanese Index Fund
(formerly Green Line Japanese Index Fund)

Type and Date:

Final Simplified Prospectus and Annual Information Form dated October 10th, 2000

Mutual Reliance Review System dated 10th day of October, 2000

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

TD Asset Management Inc.

Promoter(s):

N/A

Project #282971

Issuer Name:

Circuit World Corporation

Type and Date:

Rights Offering dated October 5th, 2000

Accepted 6th day of October, 2000

Offering Price and Description:

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

N/A

Promoter(s):

N/A

Project #298434

Issuer Name:

CCR Technologies Ltd.

Type and Date:

Rights Offering dated October 10th, 2000

Accepted 11th day of October, 2000

Offering Price and Description:

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

Registered Dealer

Promoter(s):

N/A

Project #290511

Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
New Registration	Silvercreek Management Inc. Attention: Louise Anne Morwick 1670 Bayview Avenue, Suite 308 Toronto, ON M4G 3C2	Investment Counsel & Portfolio Manager	Oct 4/00
New Registration	Campbell & Lee Investment Management Inc. Attention: Bruce Campbell 1336 Deerwood Trail Oakville, ON L6M 2H4	Investment Counsel & Portfolio Manager	Oct 5/00
Change of Name	CI Fund Services Inc. Attention: Michael Joseph Killeen 151 Yonge Street, 7 th Fl. Toronto, ON M5C 2Y1	From: C.I. Fund Services Inc. To: CI Fund Services Inc.	Sept 27/00
Change of Name	CI Mutual Funds Inc. Attention: Michael Joseph Killeen 151 Yonge Street, 7 th Fl. Toronto, ON M5C 2W7	From: C.I. Mutual Funds Inc. To: CI Mutual Funds Inc.	Sept 27/00
Change in Category	Harris Investment Management, Inc. Attention: Karen E. Rubin c/o Bank of Montreal, Law Department 1 First Canadian Place 21 st Floor Toronto, ON M5X 1A1	From: International Adviser Investment Counsel & Portfolio Manager To: International Adviser Investment Counsel & Portfolio Manager Commodity Trading Manager - Non-Resident	Oct 6/00

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1 SRO Notices and Disciplinary Decisions

13.1.1 Toronto Futures Exchange - Voluntary Surrender of Registration under Section 19 of the Commodity Futures Act

Headnote

Order granted pursuant to section 19 of the *Commodity Futures Act* (Ontario) (the "Act") approving the voluntary surrender by the Toronto Futures Exchange of its registration under section 19 [now section 15] of the Act.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20, section 15, paragraph 17(5)(a) and section 19.

**IN THE MATTER OF
THE COMMODITY FUTURES ACT
R.S.O. 1990, chapter C.20, as amended**

AND

**IN THE MATTER OF
THE TORONTO FUTURES EXCHANGE**

**ORDER
(Section 19)**

UPON the application (the "Application") of the Board of Governors (the "TFE Board") of the Toronto Futures Exchange (the "TFE") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 19 of the of the Commodity Futures Act, R.S.O. 1990, c. C.20, as amended (the "Act"), accepting the voluntary surrender by the TFE of its registration as a "commodity futures exchange";

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

AND UPON the TFE Board, on behalf of the TFE, having represented to the Commission as follows.

1. The TFE was incorporated in 1983 pursuant to the provisions of the *Toronto Futures Exchange Act*, 1983 s.o. 1983 c.19, as amended by s.o. 1994, c.11 (the "TFE Act").
2. The TFE is a non-share capital corporation governed by the *Ontario Corporations Act* (the "Corporations Act").
3. The TFE was registered by Commission order dated January 10, 1984 issued pursuant to section 19 [now section 15] of the Act.
4. On March 15, 1999, the Memorandum of Understanding between the Toronto Stock Exchange (the "TSE"), Vancouver Stock Exchange, Alberta Stock Exchange and the Montreal Exchange was executed (the "Realignment Agreement").
5. Prior thereto, the TFE received notice that the TSE terminated the TFE's licenses to all futures contracts traded on the TFE, effective December 31, 1999. Subsequently, the TSE notified the TFE that the TSE was withdrawing as sponsor of the TFE and that the TSE had covenanted in the Realignment Agreement to the other exchanges to use its best efforts to ensure that no new derivatives products would be listed for trading on the TFE.
6. The TFE Board explored the following options available to the TFE: winding-up, which would entail having the members vote to wind-up the TFE and its operations, or reconstitution, which would entail finding a new sponsor member or members for the TFE, seeking appropriate legislative changes and Commission approvals, obtaining necessary financial support and arranging the purchase or lease of new futures contracts for trading and arranging new premises, facilities and staff.
7. After considering these options and receiving feedback from its members, inter alia, through a survey and at a special information meeting called for such purpose, at a meeting held on November 9, 1999, the TFE Board unanimously voted in favour of commencing an orderly wind up of the TFE and its operations and causing the wind up and distribution of the assets of the TFE Contingency Fund (the "Contingency Fund"). The Contingency Fund contains approximately \$887,449.73.
8. At a special meeting of TFE members held on December 21, 1999, the members of the TFE approved the orderly wind up of the TFE.
9. The TFE has received assurances from the TSE, sponsor member of the TFE, that the TSE will provide full financial support to the TFE for the wind-up period, including: forgiveness of all current and future indebtedness incurred by the TFE in favor of the TSE; funding all cash requirements of the TFE for its operations to the extent that the TFE experiences a shortfall of cash from operations; and undertaking to pay all of the expenses associated with the wind up of the TFE.
10. All necessary steps were taken to ensure that there was an orderly transfer or close out of all open positions in the contracts formerly traded on the TFE and the transition from the TFE index products to the S&P/TSE 60 products which trade on the Montreal Exchange.
11. The TFE has ceased all operations and trading activities.

12. The TFE has filed with the Commission closing audited financial statements of the TFE for the year ended December 31, 1999 together with an auditors report thereon dated April 28, 2000 showing that there are no outstanding obligations of the TFE to creditors or members.
13. The TFE Board considered the manner in which the Contingency Fund should be distributed, and it sought the input of the TFE seatholders, TFE member seatholders who are also TSE members, TFE seatholders and TFE seat lessees ("TFE stakeholders") in this regard. As well, the TFE Board retained an independent adviser to prepare a report summarizing the adviser's recommendations regarding distribution of the Contingency Fund.
14. The TFE Board ultimately decided to file an interpleader application in the Ontario Superior Court of Justice (the "Court"), to pay the monies in the Contingency Fund into Court, and to request that the Court determine the manner in which the Contingency Fund should be distributed.
15. The TFE Board communicated its decision with respect to the Contingency Fund to TFE stakeholders, and took steps to implement this process, including disseminating to all TFE stakeholders, a "Notice of Intent to Claim" form for completion and return to the TFE Board.
16. The TFE requested that the OSC approve the termination of the Contingency Fund and the payment of the monies in the Contingency Fund into the Court pursuant to an interpleader application to that court.
17. On June 6, 2000, the Commission issued an order pursuant to paragraph 17(5)(a) of the Act, as required by section 17.10 of the TFE By-laws, approving the termination of the Contingency Fund and the payment of the monies in the Contingency Fund into the Court pursuant to an interpleader application to that Court.
18. On June 8, 2000, the TFE filed an interpleader application in the Court.
19. By order dated August 29, 2000, the Honourable Madam Justice McWatt ordered that the TFE pay into Court the sum of \$872,522 plus accrued interest, less the costs of the TFE, fixed by the Court at \$14,982.34, to await the outcome of a proceeding in the Court. Madam Justice McWatt also ordered that any liability in respect of the Contingency Fund of the TFE, the Contingency Fund and the Governors of the TFE and the Trustees of the Fund be extinguished.
20. The matter was transferred to case managed proceedings and is to return to Court on September 27, 2000 so that an appropriate procedure can be determined for the distribution of the monies paid into the Court.
21. Pursuant to the order of Madam Justice McWatt, the TFE paid into Court the sum of \$876,569.66 and therefore, any liability of the TFE, the Contingency Fund and the individuals who are or were Governors of the TFE and the Trustees of the Contingency Fund, in respect of the Contingency Fund was extinguished.

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

IT IS ORDERED, that pursuant to section 19 of the Act, the Commission accepts the voluntary surrender of the registration of the TFE as a "commodity futures exchange" under the Act.

DATED at Toronto on this 10th day of October, 2000

"J. A. Geller"

"Robert W. Davis"

Chapter 25
Other Information

THERE IS NO MATERIAL FOR THIS CHAPTER
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