

The Ontario Securities Commission

OSC Bulletin

March 2, 2001

Volume 24, Issue 09

(2001), 24 OSCB

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

The Ontario Securities Commission

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Suite 800, Box 55
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Published under the authority of the Commission by:

IHS/Micromedia Limited
20 Victoria Street
Toronto, Ontario
M5C 2N8

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The OSC Bulletin is published weekly by Micromedia, a division of IHS Canada, under the authority of the Ontario Securities Commission.

Subscriptions are available from Micromedia limited at the price of \$520 per year. Alternatively, weekly issues are available in microfiche form at a price of \$385 per year. Back volumes are also available on microfiche:

2000	\$475
1999	\$450
1997-98	\$400/yr
1995-1996	\$385/yr
1994:	\$370
1993:	\$275
1992:	\$250
1981-1991:	\$175/yr

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	\$110
Outside North America	\$220

Single issues of the printed Bulletin are available at \$33.00 per copy as long as supplies are available. OSC Bulletin Plus, a full text searchable CD-ROM containing OSC Bulletin material from January 1994 is available from Micromedia Limited. The sample issue of the OSC Bulletin is available on the internet at:

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ISSN 0226-9325

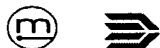


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May 7/2001- YBM Magnex International Inc., Harry W.
May 18/2001 Antes, Jacob G. Bogatin, Kenneth E.
10:00 a.m. Davies, Igor Fisherman, Daniel E. Gatti,
Frank S. Greenwald, R. Owen Mitchell,
David R. Peterson, Michael D. Schmidt,
Lawrence D. Wilder, 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

Terry G. Dodsley

Offshore Marketing Alliance and Warren
English

First Federal Capital (Canada)
Corporation and Monter Morris Friesner

Southwest Securities

Global Privacy Management Trust and
Robert Cranston

DJL Capital Corp. and Dennis John
Little

Dual Capital Management Limited,
Warren Lawrence Wall, Shirley Joan
Wall, DJL Capital Corp., Dennis John
Little and Benjamin Emile Poirier

Irvine James Dyck

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

Robert Thomislav Adzija, Larry Allen
Ayres, David Arthur Bending, Marlene
Berry, Douglas Cross, Allan Joseph
Dorsey, Allan Eizenga, Guy Fangeat,
Richard Jules Fangeat, Michael Hersey,
George Edward Holmes, Todd Michael
Johnston, Michael Thomas Peter
Kennelly, John Douglas Kirby, Ernest
Kiss, Arthur Krick, Frank Alan Latam,
Brian Lawrence, Luke John Mcgee, Ron
Masschaele, John Newman, Randall
Novak, Normand Riopelle, Robert Louis
Rizzuto, And Michael Vaughan

S. B. McLaughlin

PROVINCIAL DIVISION PROCEEDINGS

Date to be announced **Michael Cowpland and M.C.J.C. Holdings Inc.**

s. 122

Ms. M. Sopinka in attendance for staff.

Ottawa

Jan 29/2001 - **John Bernard Felderhof**
Jun 22/2001

Mssrs. J. Naster and I. Smith
for staff.

Courtroom TBA, Provincial Offences
Court

Old City Hall, Toronto

Jan 25/2000 **1173219 Ontario Limited c.o.b. as**
10:00 a.m. **TAC (The Alternate Choice), TAC**
Courtroom N **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 - **Einar Bellfield**
Feb 2/2001
Apr 30/2001 - s. 122
May 7/2001
9:00 a.m. 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 CSA Notice 62-301

CANADIAN SECURITIES ADMINISTRATORS NOTICE 62-301

Implementation of the Zimmerman Amendments Governing the Conduct of Take-over and Issuer Bids

Amendments governing the conduct of take-over bids and issuer bids under securities legislation (colloquially known as the "Zimmerman Amendments") are intended to come into effect on March 31, 2001.

Background

On May 13, 1996 a committee of the Investment Dealers Association of Canada (the "Zimmerman Committee") commissioned to review take-over and issuer bid time limits issued its report setting out 14 recommendations. The Zimmerman Committee recommended, among other things, lengthening the minimum bid time periods to permit the target company and its shareholders more time to consider the bid and to seek other offers as well as giving offerors the option of commencing a take-over bid by way of advertisement.

The Canadian Securities Administrators (the "CSA") agreed to adopt the recommendations and established a committee to develop uniform wording for amendments in the eight jurisdictions with take-over and issuer bid provisions in their securities legislation. The committee completed its work in late 1997 and the first legislative amendments were passed in Alberta and British Columbia in 1998. The Zimmerman Amendments were subsequently passed in Ontario and Saskatchewan in 1999 and are either under consideration (in Quebec) or awaiting introduction in the other jurisdictions (Manitoba, Nova Scotia and Newfoundland).

The full text of the Zimmerman Amendments and consequential rule amendments in the case of British Columbia and Alberta, were published:

- in British Columbia: on June 19, 1998 (by NIN#98/28) and consequential rule amendments were published on August 21, 1998 (by NIN#98/51),
- in Alberta: on February 19, 1999 at 8 ASCS 397 and consequential rule amendments were published for comment on October 30, 1998 at 7 ASCS 3955 and in final form on February 19, 1999 at 8 ASCS 397,
- in Ontario: on December 24, 1999 at 22 OSCB 8395

and can be found on the following websites:

- British Columbia Securities Commission:
www.bcsc.bc.ca
- Alberta Securities Commission:
www.albertasecurities.com
- Saskatchewan Securities Commission:
www.ssc.gov.sk.ca/rules
- Ontario Securities Commission:
www.osc.gov.on.ca

Implementation

The British Columbia, Alberta, Saskatchewan and Ontario Securities Commissions have asked their respective governments to proclaim the Zimmerman Amendments so that they come into effect March 31, 2001.

The Manitoba, Nova Scotia and Newfoundland Securities Commissions intend to implement the Zimmerman Amendments by way of blanket order as an interim measure pending passage of the necessary legislative amendments to implement the Zimmerman Amendments in each of the jurisdictions.

Interested parties should refer to the following websites for the full text of the particular blanket order:

The Commission des valeurs mobilières du Québec (the "CVMQ") is not in a position to implement the Zimmerman Amendments until such time as the legislative amendments necessary to implement

- Manitoba Securities Commission:
www.msc.gov.mb.ca

- Nova Scotia Securities Commission:
www.gov.ns.ca/nssc/

- Newfoundland Securities Commission:
www.nf.ca/gsl/ccals/

the Zimmerman Amendments in Quebec have been passed. Interested parties should consult the CVMQ website (www.cvmq.com) for the CVMQ Notice on the status of the Zimmerman Amendments in Quebec.

In the event that the legislative amendments necessary to implement the Zimmerman Amendments in Quebec are not proclaimed by March 31, 2001, two take-over/issuer bid regimes will exist in Canada. Therefore, if a bid involves offeree shareholders in both Quebec and a jurisdiction that has implemented the Zimmerman Amendments, it will be necessary for bidders and targets to comply with both regimes.

Wherever differences between the regimes exist, the more onerous rules must be complied with. For example:

- a bid that is commenced by the delivery of the bid to security holders must, if made in both Quebec and a Zimmerman jurisdiction, allow at least 35 days from the date of the bid during which securities may be deposited to the bid.
- In the event that a bid is commenced in a Zimmerman jurisdiction by way of advertisement, bidders should indicate that the bid will not be made in Quebec, and is not capable of being accepted in Quebec, until such time as it is mailed to shareholders resident in Quebec.
- A bid must permit securities deposited to the bid to be withdrawn at any time prior to such securities being taken up by the offeror and a director's circular shall be prepared and delivered by the board of directors of an offeree issuer within 10 days of the date of the bid.

Parties must also keep in mind that:

- the "date" of the bid for securities law purposes may differ between the two regimes since the date of the bid could be the date that it is first advertised in a Zimmerman jurisdiction, while in Quebec the date of the bid will continue to be the date that it is mailed to offeree shareholders in Quebec.
- any securities taken up by an offeror under a bid must be paid for by the offeror as soon as possible, and in any event not more than three calendar days after expiry of the bid if it is made in Quebec, notwithstanding that the requirement in the Zimmerman jurisdictions is three business days.

Transition

If a bid is commenced prior to March 31, 2001 but is scheduled to expire after the implementation of the Zimmerman Amendments, the pre-Zimmerman bid rules will apply. The Zimmerman Amendments will apply in the Zimmerman jurisdictions to any bid commenced on or after March 31, 2001.

Questions regarding implementation of the Zimmerman Amendments may be directed to any of:

Sheryl Thomson
Senior Legal Counsel, Policy & Legislation
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sthomson@bcsc.bc.ca

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March 2, 2001.

1.2 News Releases

**1.2.1 CSA News Release - Regulators Set
Financial Planning Proficiency
Requirements**

FOR IMMEDIATE RELEASE
February 22, 2001

**REGULATORS SET FINANCIAL PLANNING
PROFICIENCY REQUIREMENTS**

Toronto – Recognizing the key role that financial planning advice plays for a significant number of Canadian investors, securities and insurance regulators have moved to set clearly defined financial planning proficiency requirements. Certain jurisdictions within the CSA have published a rule that calls for registrants who use a variety of advisory titles to meet these requirements.

"It is important that registrants dealing with consumers demonstrate competence to provide the type of advice suggested by their title," said David Brown, Chair of the Ontario Securities Commission. "Investors rely on the advice provided by their financial planners but aren't necessarily in a position to assess their capabilities. Individuals that hold themselves out using titles that suggest they are offering comprehensive, integrated, objective personal financial advice will now have to satisfy proficiency requirements. These requirements are a result of a great deal of effort by the regulators as well as representatives of the securities, banking, mutual fund and insurance industries," added Mr. Brown.

"Saskatchewan has required financial planning standards for insurance agents for several years," said Jim Hall, the Superintendent of Insurance, Department of Justice in Saskatchewan. "We are pleased to have worked with other securities and insurance regulators to develop common standards for the better protection of consumers."

The instrument was developed by a CSA Committee made up of representatives from securities and insurance regulators and insurance councils. The CSA Committee was sponsored by the CSA and the Joint Forum of Financial Market Regulators.

The proficiency standard created by the Instrument consists of:

- passing the new Financial Planning Proficiency Examination (the "FPPE") sponsored by the CSA and insurance regulators
- two years of insurance or securities industry experience in the last five years
- commitment to an approved continuing education program

The FPPE will be identical for both securities registrants and insurance licensees.

A backgrounder with additional information is attached to this news release.

Reference:

Julia Dublin
Chair, CSA Financial Planning Committee
(416) 593-8103

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

1.2.2 CSA News Release - Information on Proficiency Requirements - Providing Financial Planning

FOR IMMEDIATE RELEASE
February 22, 2001

BACKGROUND INFORMATION ON PROFICIENCY REQUIREMENTS FOR REGISTRANTS HOLDING THEMSELVES OUT AS PROVIDING FINANCIAL PLANNING AND SIMILAR ADVICE

The Instrument applies to individuals and firms registered to trade or advise under securities laws. The Instrument requires individual registrants who hold themselves out under a variety of titles specified in the Instrument to satisfy an objectively determined proficiency standard. When used by securities registrants, these titles convey the impression that financial planning or similarly objective, comprehensive, integrated personal financial advice is offered.

Registered firms that use the restricted titles as business names or use a restricted service description are required to provide those advertised services, and to provide them through officers, employers or agents who meet the proficiency standard.

The same restrictions apply to titles and service descriptions used by licensed insurance agents and agencies.

A. Proficiency Standard

The proficiency standard created by the Instrument consists of:

- passing the Financial Planning Proficiency Examination (the "FPPE") sponsored by the CSA and insurance regulators
- two years of insurance or securities industry experience in the last five years
- commitment to an approved continuing education program

The FPPE will be identical for both securities registrants and insurance licensees and will be administered on a national basis.

B. Transitional Grandfathering Relief

Individuals who have completed one of the financial planning education programs or testing processes specified in the Instrument or who enroll in a specified program before March 31, 2001 and in most cases complete it no later than March 31, 2003 will not need to write the FPPE.

This transitional relief will expire on March 31, 2004.

C. Notice

Registrants planning to offer financial planning and similar advice are required to notify all applicable regulators in advance that they have satisfied the proficiency standard.

D. Impact on Existing Registrants and Licensees

The CSA wish to emphasize that the Instrument will have no effect on the ability of registered dealers to act on behalf of their clients in buying or selling securities in which they are registered to trade. Similarly, the analogous insurance provisions will not prevent licensed insurance agents from selling insurance products.

However, the Instrument restricts the use of titles by individuals that are licensed or registered to sell financial products that would convey to customers the impression that objective, comprehensive, integrated financial advice tailored to their present and future financial circumstances is being offered. These registrants and licensees will not be able to hold themselves out to the public using these titles unless they have demonstrated their competence to provide the type of advice suggested by the titles. By the same token, registered firms will not be able to hold themselves out under the equivalent business titles unless the financial planning or similar advice is provided to customers by qualified individual registrants and licensees.

The CSA recognize that there are a wide variety of ways to obtain experience equivalent to two years of registration or licensing with a securities and insurance regulatory authority. These will be considered on an individual basis. It is anticipated that at a later date the CSA will publish a notice providing examples of the types of situations in which equivalency exemptions have been granted.

E. Administration of the FPPE

A governance structure is being created for the administration of the FPPE. The structure is being developed jointly by the Canadian Bankers Association, the Investment Dealers Association, the Investment Funds Institute of Canada and the Canadian Association of Insurance and Financial Advisors.

The governance structure is intended to include the following key structures:

- **Sub-Committee of the Joint Forum of Financial Market Regulators** – an association of Canadian securities, insurance and pension regulators responsible for providing oversight and overall direction to the National Steering Committee.
- **National Steering Committee** – a decision-making forum for industry participants to maintain and update the proficiency standard.
- **National Examination Working Committee** – a technical committee designated by the industry associations and their educational affiliates, responsible for the development and maintenance of the examination blueprint, the item bank of questions, scoring methodologies and a code of conduct for the FPPE.

The industry associations will be responsible for organizing the examination sittings at their own test sites, delivering the FPPE, sending out materials including results, handling appeals in accordance with established policies and collecting exam application forms and fees.

F. Continuing Education

The continuing education programs of CAIFA, the Canadian Bankers Association, the Investment Dealers Association of Canada and The Investment Funds Institute of Canada are approved for purposes of the Instrument. These associations have worked towards harmonizing the requirements of their programs to facilitate compliance by persons with multiple licenses or registrations and persons transferring among industry sectors. The CSA will consider requests for approval by other formal continuing education programs designed to update persons providing financial planning services.

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Commerce One, Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - the first trade by former employees in shares acquired pursuant to the employee share purchase plan or employee stock option plan of the issuer shall not be subject to section 25 of the Act, subject to certain conditions.

Applicable Ontario Statutes

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

Applicable Ontario Rules

Rule 45-503 - Trades to Employees, Executives and Consultants (1998) 21 OSCB 6559.

Rule 72-501 - Prospectus Exemption for First Trade Over a Market Outside Ontario (1998) 21 OSCB 2318.

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

AND

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

AND

IN THE MATTER OF
COMMERCE ONE, INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker", and collectively, the "Decision Makers") in each of British Columbia, Alberta, New Brunswick, Newfoundland, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan (the "Jurisdictions") has received an application (the "Application") from Commerce One, Inc. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") and to file and

obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") (collectively, the "Registration and Prospectus Requirements") shall not apply to certain trades of shares of common stock (the "Common Shares") in the capital of the Filer and in options (the "Options") for Common Shares made in connection with the Filer's 1999 Nonstatutory Stock Option Plan and 1999 Employee Stock Purchase Plan as such plans are amended from time to time.

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

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

1. The Filer is a corporation incorporated under the laws of the State of Delaware, is not a reporting issuer or the equivalent under the Legislation of any of the Jurisdictions and has no present intention of becoming a reporting issuer or the equivalent in any of the Jurisdictions. The Filer is currently subject to the reporting requirements of the *United States Securities Exchange Act* of 1934 (as amended) and is not in default of those requirements.
2. The authorized share capital of the Filer is 950,000,000 Common Shares and 50,000,000 shares of preferred stock. As at September 30, 2000, there were 191,999,213 Common Shares issued and outstanding.
3. The Common Shares are listed and posted for trading on the NASDAQ National Market (the "NASDAQ").
4. The Filer now conducts business in Canada directly and through Commerce One Canada Inc. ("Subsidiary"), a corporation incorporated under the *Business Corporations Act* (Ontario).
5. Subsidiary is a wholly owned subsidiary of the Filer, is not a reporting issuer or the equivalent under the Legislation of any of the Jurisdictions and does not have the present intention of becoming a reporting issuer or the equivalent in any of the Jurisdictions.
6. The Filer has established the 1999 Employee Stock Purchase Plan (the "Stock Purchase Plan") whereby it will allow eligible employees of the Filer and Subsidiary ("Stock Eligible Employees") to acquire Common Shares. All employees (those employees who work 20 hours or more per week and more than five (5) months in any calendar year period) of Subsidiary are Stock Eligible Employees. Any Stock Eligible Employee's participation in the Stock Purchase Plan is to be effective after he or she has initiated his or her enrollment. The purpose of the Stock Purchase Plan is to provide employees of the Filer and its subsidiaries

- with an opportunity to purchase Common Shares through payroll deductions. The Common Shares are issued from treasury.
7. As at October 23, 2000, there were approximately 4 Stock Eligible Employees resident in Alberta, 1 Stock Eligible Employee resident in British Columbia and 13 Stock Eligible Employees resident in Ontario. The Filer expects that Subsidiary will expand its operations to other Provinces in the near future and therefore will have employees in such other Provinces.
 8. Participation in the Stock Purchase Plan by Stock Eligible Employees is voluntary and the Stock Eligible Employees have not been and will not be induced to participate in the Stock Purchase Plan by expectation of employment or continued employment with the Filer, Subsidiary or any other affiliated entity of the Filer.
 9. Generally, each Stock Eligible Employee may elect to make contributions under the Stock Purchase Plan by payroll deduction of any amount up to, but not exceeding, 15% of his or her base earnings.
 10. The purchase price of the Common Shares under the Stock Purchase Plan (the "Purchase Price") will be 85% of the Fair Market Value of a Common Share on the Enrollment Date (as defined under the Stock Purchase Plan) or the Fair Market Value on the Exercise Date (as defined under the Stock Purchase Plan), subject to adjustments by the Board of Directors of the Filer.
 11. The "Fair Market Value" under the Stock Purchase Plan (if the Common Shares are quoted on the NASDAQ) means the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the NASDAQ for the last market trading day on the date of determination of the Fair Market Value, as reported in *The Wall Street Journal* or such other source as the Board of Directors of the Filer deems reliable.
 12. Under the Stock Purchase Plan, each Stock Eligible Employee participating in such plan has the option to purchase on each Exercise Date as determined under the Stock Purchase Plan up to a number of Common Shares determined by dividing such Stock Eligible Employees' payroll deductions accumulated prior to such Exercise Date and retained in his or her account as of the Exercise Date by the applicable Purchase Price, provided that in no event shall a Stock Eligible Employee be permitted to purchase during each purchase period allowed under the Stock Purchase Plan more than 30,000 Common Shares (subject to adjustments and other limitations). Unless a Stock Eligible Employee withdraws from the Stock Purchase Plan his or her option to purchase Common Shares is exercised automatically on the Exercise Date, and the maximum number of full Common Shares subject to the option is to be purchased on his or her behalf at the applicable Purchase Price with the accumulated payroll deductions in his or her account.
 13. The Stock Eligible Employee's participation in the Stock Purchase Plan will be terminated when he or she voluntarily elects to withdraw from the Stock Purchase Plan or upon the Stock Eligible Employee's termination of employment.
 14. Stock Eligible Employees resident in Canada who purchase Common Shares will be provided with all the disclosure documentation that holders of Common Shares resident in the United States and the employees of the Filer who purchase Common Shares under the Stock Purchase Plan are entitled to receive.
 15. An exemption from the Registration and Prospectus Requirements is not available in all of the Jurisdictions for the distribution of the Common Shares by the Filer to Stock Eligible Employees through the Stock Purchase Plan.
 16. An exemption from the Registration and Prospectus Requirements is not available in all of the Jurisdictions for trades in Common Shares acquired under the Stock Purchase Plan by Stock Eligible Employees, former Stock Eligible Employees or the legal representatives of such present or former Stock Eligible Employees.
 17. Because there is no market for the Common Shares in Canada and none is expected to develop, any trades of the Common Shares by Stock Eligible Employees will be effected through the facilities of and in accordance with the rules of a stock exchange or recognized market outside of Canada on which the Common Shares are traded and in accordance with all laws applicable to such trading.
 18. The Filer has established the 1999 Nonstatutory Stock Option Plan (the "Stock Option Plan") whereby it may issue to eligible employees, officers, directors and consultants of Filer and Subsidiary, Options to acquire Common Shares. The Filer does not intend to issue Options to consultants in Canada (therefore the term "Option Eligible Service Providers" shall mean for the purposes of this decision, eligible employees, officers and directors under the Stock Option Plan, but shall not include consultants). The Stock Option Plan is for a term of ten years unless terminated as permitted pursuant to its terms. Each Option shall be designated in the agreement between the Filer and the Option Eligible Service Provider (the "Option Agreement") as a nonstatutory stock option. The purposes of the Stock Option Plan are: (i) to attract and retain the best available personnel for positions of substantial responsibility; (ii) to provide additional incentive to Filer's employees and (iii) to promote the success of the Filer's business.
 19. As at October 23, 2000, there were approximately 4 Option Eligible Service Providers resident in Alberta, 1 Option Eligible Service Provider resident in British Columbia, and 13 Option Eligible Service Providers resident in Ontario. The Filer expects that the Subsidiary will expand its operations to other Provinces in the near future and therefore will have employees in such other Provinces.
 20. Participation in the Stock Option Plan is voluntary and the Option Eligible Service Providers will not be induced to exercise Options by expectation of employment or

- continued employment with or expectation to provide services or to continue to provide services to the Filer, Subsidiary or any other affiliated entity of the Filer.
21. All Options granted under the Stock Option Plan to the Option Eligible Service Providers is determined by the relevant committee(s) of the Board of Directors of the Filer (the "Administrator") and stated in the Option Agreements. The Administrator administers the Stock Option Plan.
22. At the time an Option is granted, the Administrator determines the period within which the Option may be exercised and determines the terms of the Option and any conditions that must be satisfied before the Option may be exercised.
23. The Options are non-transferable during an Option Eligible Service Provider's life. Upon death, an Option Eligible Service Provider's personal representative may exercise his or her Options in full within 12 months thereafter.
24. Except as described below or otherwise provided in the Option Agreement, upon termination of his or her relationship as Service Provider of the Filer (a "Service Agreement"), an Option Eligible Service Provider is entitled to exercise only the Options that have vested up to 3 months after his or her termination unless otherwise specified in his or her Option Agreement.
25. Generally, if an Option Eligible Service Provider's Service Agreement terminates because of his or her permanent disability, then he or she may exercise his or her Options to the extent they have vested, within the period specified in his or her Option Agreement or in absence of such provisions, within 12 months of the date of such termination.
26. If an Option Eligible Service Provider dies, his Options may be exercised by his or her estate or by a person who acquires the right to exercise the Option by bequest or inheritance, but only to the extent that such Options have vested on the date of death, for a period of 12 months following his termination or within such other period as specified in his Option Agreement.
27. At any time, the Administrator may buy out for a payment in cash or Common Shares an Option previously granted based on such terms and conditions as the Administrator shall establish.
28. Option Eligible Service Providers who are issued Options under the Stock Option Plan resident in Canada will be provided with all the disclosure documentation that holders of Options resident in the United States are entitled to receive.
29. An exemption from the Registration and Prospectus Requirements is not available in all of the Jurisdictions for the distribution of Options by the Filer to Option Eligible Service Providers through the Stock Option Plan.

30. An exemption from the Registration and Prospectus Requirements is not available in all of the Jurisdictions for the exercise of Options acquired under the Stock Option Plan by Option Eligible Service Providers, former Option Eligible Service Providers or the legal representatives of such present or former Option Eligible Service Providers.
31. An exemption from the Registration and Prospectus Requirements is not available in all of the Jurisdictions for trades in Common Shares acquired under the Stock Option Plan by the Option Eligible Service Providers, former Option Eligible Service Providers or the legal representatives of such present or former Option Eligible Service Providers.
32. Because there is no market for the Common Shares in Canada and none is expected to develop, any trades of the Common Shares by Option Eligible Service Providers will be effected through the facilities of and in accordance with the rules of a stock exchange or recognized market outside of Canada on which the Common Shares are traded and in accordance with all laws applicable to such trading.

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 under the Legislation is that:

- (1) the Registration and Prospectus Requirements shall not apply to:
- (a) distributions and/or trades of Common Shares to or on behalf of Stock Eligible Employees in connection with the Stock Purchase Plan;
 - (b) the distribution of Options by the Filer to Option Eligible Service Providers, the exercise of such Options and the distribution of Common Shares pursuant to such exercise;
- provided that the first trade in the Common Shares acquired pursuant to paragraph (1) is deemed a distribution subject to the Prospectus Requirements; and
- (2) the first trade in any Common Shares acquired under the Stock Purchase Plan or the Stock Option Plan is not subject to the Registration and Prospectus Requirements where the first trade is made by a Stock Eligible Employee, Option Eligible Service Provider, former Stock Eligible Employee or Option Eligible Service Provider or the legal representatives of such present or former Stock Eligible Employee or Option Eligible Service Provider, provided that:

- (a) either:
- (i) at the time of the acquisition of the Common Shares or the Options, persons or companies whose last address as shown on the books of the Filer in any one of the Jurisdictions did not hold, in the aggregate, more than 10% of the outstanding Common Shares and did not represent in number more than 10% of the total number of holders of Common Shares; or
 - (ii) at the time of the acquisition of the Common Shares or the Options, persons or companies who were resident in any one of the Jurisdictions and who beneficially owned Common Shares did not beneficially own more than 10% of the outstanding Common Shares and did not represent in number more than 10% of the total number of holders of Common Shares; and
- (b) at the time of the trade of any Common Shares, the Filer is not a reporting issuer under any of the Legislation; and
- (c) such first trade is executed:
- (i) through the facilities of a stock exchange outside of Canada;
 - (ii) on the NASDAQ Stock Market; or
 - (iii) on the Stock Exchange Automated Quotation System of the London Stock Exchange Limited;

in accordance with the rules of such exchange or market and all applicable laws.

February 20, 2001.

"Howard I. Wetston"

"R. Stephen Paddon"

2.1.2 RBC Dominion Securities Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer is a connected issuer, but not a related issuer, in respect of registrants that are underwriters in proposed distribution of units by the issuer - Underwriters exempt from the independent underwriter requirement in the legislation provided that issuer not in financial difficulty.

Applicable Ontario Regulations

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

Applicable Ontario Rules

Proposed Multi-Jurisdictional Instrument 33-105 *Underwriting Conflicts* (published for comment February 6, 1998)

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

AND

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

AND

**IN THE MATTER OF
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.**

AND

**IN THE MATTER OF
CANADIAN REAL ESTATE INVESTMENT TRUST**

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Ontario, Quebec and Newfoundland (the "Jurisdictions") has received an application from RBC Dominion Securities Inc. ("RBC DS"), Scotia Capital Inc. ("Scotia Capital") and TD Securities Inc. ("TD Securities"), (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 non-independent underwriters is underwritten by an independent underwriter, shall not apply to

the Filers in respect of a proposed distribution (the "Offering") of units (the "Units") of Canadian Real Estate Investment Trust (the "Issuer"), pursuant to a short form prospectus (the "Prospectus");

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

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

1. The Issuer is a reporting issuer or its equivalent in each of the Jurisdictions and, to the Filers' knowledge, is not in default of any requirement of the Legislation.
2. The business of the Issuer is to invest in a diversified portfolio of income-producing real property investments used for retail, industrial, residential or office purposes in accordance with its investment policies and guidelines.
3. The Units of the Issuer are listed and posted for trading on The Toronto Stock Exchange and trade under the symbol "REF.UN".
4. The head office of the lead underwriter for the Offering is in Toronto, Ontario.
5. The Issuer intends to file a preliminary short form prospectus (the "Preliminary Prospectus") in the Jurisdictions.
6. The Filers along with three other underwriters are proposing to act as underwriters in connection with the Offering.
7. The Issuer has an agreement with Royal Bank of Canada, the Bank of Nova Scotia and the Toronto Dominion Bank of Canada (collectively, the "Banks") and a life insurance company for a revolving credit facility of \$72.0 million (the "Bank Facility"). The net proceeds of the Offering may be used, in part, to repay the Bank Facility.
8. The nature of the relationship among the Issuer and the Filers has been described in the Preliminary Prospectus and will be described in the Prospectus.
9. The Banks did not and will not participate in the decision to make the Offering or in the determination of its terms.
10. The Filers will not benefit in any manner from the Offering other than the payment of their underwriting fees in connection with the Offering.
11. By virtue of the fact that the Filers are each indirect wholly-owned subsidiaries of their respective Banks, the Issuer may, in connection with the Offering, be considered a connected issuer (or the equivalent) of each of the Filers.

12. The Issuer is not a related issuer (or the equivalent) of the Filers or of any of the other members of the underwriting syndicate.
13. The nature and details of the relationship between the Issuer and the Filers will be described in the Prospectus. The Prospectus will contain the information specified in Appendix "C" of draft Multi-Jurisdictional Instrument 33-105 *Underwriting Conflicts* (the "Proposed Instrument").
14. This decision is confidential on the basis that, (i) the Offering has not been publicly announced, and (ii) the Filers do not want to be considered to be pre-marketing the Offering in any manner.
15. The Issuer is not a "specified party" as defined in the Proposed Instrument.

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

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

THE DECISION of the Decision Makers, under 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", as defined in the Proposed Instrument, to the Filers at the time of the Offering and is not a "specified party", as defined in the Proposed Instrument, at the time of the Offering.

February 20, 2001.

"Howard I. Wetston"

"Robert W. Davis"

2.1.3 McLean Budden Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - trades by pooled funds of additional units to existing unitholders holding units having an aggregate acquisition cost or net asset value of not less than the minimum amount prescribed by legislation under "private placement" exemption exempted from registration and prospectus requirement - trades by pooled funds of units to existing unitholders pursuant to automatic reinvestment of distributions by pooled funds exempted from registration and prospectus requirement - trades in units of pooled funds not subject to requirement to file reports of trade within 10 days of trades provided prescribed reports filed and fees paid within 30 days of financial year end of pooled funds.

Statutes Cited

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

Rules Cited

Ontario Securities Commission Rule 45-501 - *Exempt Distributions* (1998) 21 OSCB 6548.
Ontario Securities Commission Rule 81-501 - *Mutual Fund Reinvestment Plans* (1998) 21 OSCB 2713.

Manitoba, Ontario, New Brunswick and Newfoundland (the "Prospectus Jurisdictions") or to the registration requirements of the Legislation of Manitoba, New Brunswick and Newfoundland (the "Registration Jurisdictions"); and

- (b) trades in Units are not subject to the requirements of the Legislation of the Jurisdictions, other than Manitoba, relating to the filing of forms and the payment of fees within 10 days of each trade, subject to certain conditions;

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

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

1. The Manager is registered under the Legislation of Ontario and British Columbia as a mutual fund dealer or the equivalent and under the Legislation of all the Jurisdictions as an investment counsel and portfolio manager or the equivalent. Each Fund is or will be a mutual fund as defined in the Legislation;
2. Units in each of the Funds will be non-transferable but will be redeemable at their net asset value in accordance with the procedures set out in the trust indenture of the particular Fund;
3. Units of the Funds may be offered on a continuous basis to taxable and non-taxable investors, including, but not limited to, high net worth individuals, pension plans, religious orders, charitable organizations, endowments and insurance companies;
4. Units of the Funds will be sold to purchasers resident in Newfoundland by dealers registered in Newfoundland;
5. Units of the Funds will be sold to purchasers resident in the Jurisdictions other than Newfoundland by the Manager;
6. The initial minimum investment (the "Initial Minimum Investment") in any of the Funds by an investor in a Jurisdiction will be not less than the minimum aggregate purchase amount prescribed by the applicable Legislation of such Jurisdiction (the "Prescribed Amount") and will be made in reliance upon prospectus exemptions in each of the Jurisdictions, and upon the dealer registration exemptions in each of the Jurisdictions other than Ontario, British Columbia and Newfoundland (the "Private Placement Exemption");
7. Following the Initial Minimum Investment, it is proposed that unitholders of the Funds who were sold Units in reliance upon the Private Placement Exemption be permitted to subscribe for additional units (the "Subscribed Units"), provided that at the time of such subsequent acquisition the investor holds Units of the Fund with an aggregate acquisition cost or aggregate net asset value of at least the Prescribed Amount; and

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

AND

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

AND

IN THE MATTER OF
McLEAN BUDDEN LIMITED
MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick and Newfoundland, (the "Jurisdictions") has received an application from McLean Budden Limited (the "Manager") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

- (a) certain trades in units ("Units") of the McLean Budden Pooled Funds (individually a "Fund" and collectively the "Funds") which are or will be established by the Manager are not subject to the prospectus requirements of the Legislation of

8. Each Fund proposes to distribute additional Units ("Reinvested Units") by way of automatic reinvestment of distributions to unitholders of such Fund, unless otherwise requested by a unitholder;

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:

(a) the registration requirements contained in the Legislation of the Registration Jurisdictions, and the prospectus requirements contained in the Legislation of the Prospectus Jurisdictions shall not apply to:

(i) the issuance of Subscribed Units of a Fund to a unitholder of that Fund provided that

(1) the initial investment in Units of that Fund was pursuant to the applicable Private Placement Exemption;

(2) at the time of the issuance of such Subscribed Units, the unitholder then owns Units of that Fund having an aggregate acquisition cost or an aggregate net asset value of not less than the Prescribed Amount of the applicable Prospectus Jurisdiction;

(3) at the time of the issuance of such Subscribed Units, the Manager is registered under the Legislation of Ontario as a mutual fund dealer and such registration is in good standing; and

(4) this clause (a) will cease to be in effect with respect to a Prospectus Jurisdiction 90 days after the coming into force of any legislation, regulation or rule in such Jurisdiction relating to the distribution of Subscribed Units of pooled funds; and

(ii) an issuance of Reinvested Units of a Fund to a unitholder of that Fund provided that

(1) no sales commission or other charge in respect of such issuance of Reinvested Units is payable; and

(2) the unitholder has received, not more than 12 months before such issuance, a statement describing (A) the details of any deferred or contingent sales charge or redemption fee that is payable at the time of the redemption of a Unit, (B) the right that the unitholder has to make an election to receive cash instead of Units on the payment of the net income or net realized capital gains distributed by the Fund, (C) instructions on how the right referred to in subclause (B) can be exercised, and (D) the fact that no prospectus is available for the Fund as Units are offered pursuant to prospectus exemptions only; and

(b) the requirements contained in the Legislation of the Jurisdictions other than Manitoba to file a report of a distribution of Units under the Private Placement Exemption or of Subscribed Units within 10 days of such trade shall not apply to such trade, provided that within 30 days after each financial year end of each Fund, such Fund:

(i) files with the applicable Decision Maker a report in respect of all trades in Units of that Fund during such financial year, in the form prescribed by the applicable Legislation; and

(ii) remits the applicable Decision Maker the fee prescribed by the applicable Legislation.

February 15, 2001.

"Howard I. Wetston"

"Stephen N. Adams"

2.1.4 Wireless Matrix Corporation - MRRS Decision

Headnote

Subsection 74(1) - issuance of securities by an Ontario reporting issuer pursuant to a three-cornered merger effected pursuant to Delaware law exempt from section 53 of the Act - no registration relief sought - first trade relief subject to terms.

Relief granted to whole transaction under clause 5.2(2)(c) of National Policy 12-201, notwithstanding apparent relief under section 2.8 of Rule 45-501 and section 2.4 of Companion Policy 45-501 CP -- narrow aspect of transaction arguably not covered by section 2.8 -- subsection 72(1)(f)(iii) arguably unavailable for subsequent exercise of assumed warrants and options since such exercise may not be made pursuant to "a right to convert or exchange previously granted by the issuer".

Statutes Cited

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

Applicable Ontario Regulations

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

Rules Cited

Rule 45-501 -- Prospectus Exempt Distributions, ss. 2.8, 6.6.

Applicable Policies

Companion Policy 45-501 CP to OSC Rule 45-501 Prospectus Exempt Distributions, s. 2.4.

National Policy 12-201 B Mutual Reliance Review System for Exemptive Relief Applications, s. 5.2(2)(c).

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

AND

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

AND

**IN THE MATTER OF
WIRELESS MATRIX CORPORATION**

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Ontario and British Columbia (the "Jurisdictions") has received an application from Wireless Matrix Corporation ("Wireless") for a decision under the

securities legislation of the Jurisdictions (the "Legislation") exempting certain distributions from the requirement under the Legislation to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirement");

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** Wireless has represented to the Decision Makers that:
 - 3.1 Wireless is a corporation continued under the *Canada Business Corporations Act*;
 - 3.2 the head office of Wireless is in Calgary, Alberta;
 - 3.3 Wireless is a reporting issuer in each of the Jurisdictions;
 - 3.4 the authorized capital of Wireless includes an unlimited number of common shares ("Wireless Shares");
 - 3.5 22,035,029 Wireless Shares are currently outstanding;
 - 3.6 the Wireless Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE");
 - 3.7 MX Company, Inc. ("MX") is a corporation incorporated under the laws of the State of Delaware;
 - 3.8 MX is a wholly owned subsidiary of Wireless;
 - 3.9 Norcom Networks Corporation ("Norcom") is a corporation incorporated under the laws of the State of Delaware;
 - 3.10 the head office of Norcom is in Reston, Virginia;
 - 3.11 Norcom is not a reporting issuer in any of the Jurisdictions;
 - 3.12 no securities of Norcom are listed on a stock exchange or traded on any market;
 - 3.13 the authorized capital of Norcom includes 4,500,000 shares of common stock ("Norcom Shares");
 - 3.14 3,135,045 Norcom Shares, 515,132 options to purchase Norcom Shares ("Norcom Options") and 6,072 warrants to purchase Norcom Shares ("Norcom Warrants") are currently outstanding;
 - 3.15 as at February 13, 2001, 1 holder of Norcom Shares was resident in British Columbia and held 11,679 Norcom Shares;

- 3.16 as at February 13, 2001, 18 holders of Norcom Options were resident in British Columbia and held 34,500 Norcom Options;
- 3.17 Norcom also currently has outstanding a secured promissory note in the principal amount of US\$5,000,000 (the "Norcom Note");
- 3.18 the holder of the Norcom Note is resident in British Columbia;
- 3.19 pursuant to a business combination agreement dated January 8, 2001, Wireless has agreed to acquire Norcom (the "Combination");
- 3.20 under the Combination:
- 3.20.1 Norcom and MX will merge;
- 3.20.2 the holders of Norcom Shares will surrender them in return for a combination of Wireless Shares and notes redeemable by Wireless for cash or a specified number of Wireless Shares ("Wireless Notes");
- 3.20.3 the terms of the Norcom Options and Norcom Warrants will be made such that Wireless will become obligated to issue a number of Wireless Shares upon their exercise equivalent to the number of Norcom Shares that would have been issuable if they had been exercised prior to the Combination; and
- 3.20.4 the holder of the Norcom Note will exchange it with Wireless in return for a combination of Wireless Shares and cash;
- 3.21 in connection with the Combination, holders of Norcom Shares and the Norcom Note will receive a private placement memorandum prepared in accordance with applicable securities laws of the United States of America (the "Memorandum");
- 3.22 the Memorandum will contain a copy of the agreement governing the Combination and, in the case of holders of Norcom Shares, a form providing for the holder's written consent to the Combination;
- 3.23 under Delaware law, the Combination must receive the consent of the holders of the majority of Norcom Shares;
- 3.24 under Delaware law, the holders of Norcom Shares will receive dissent and appraisal rights in respect of the Combination;
- 3.25 Wireless will issue up to 16,461,647 Wireless Shares in connection with the Combination and reserve for issuance an additional 2,600,000 Wireless Shares issuable upon the exercise of Norcom Options and Norcom Warrants;
- 3.26 Wireless has received conditional approval from the TSE for the listing of the Wireless Shares issuable with respect to the Combination;
- 3.27 the following trades may occur in connection with the Combination (the "Trades"):
- 3.27.1 the issuance of Wireless Shares and Wireless Notes in return for the surrender of Norcom Shares;
- 3.27.2 the issuance of Wireless Shares in return for the Norcom Note;
- 3.27.3 the issuance of Wireless Shares upon the redemption of Wireless Notes;
- 3.27.4 the issuance of Wireless Shares upon the exercise of Norcom Options and Norcom Warrants;
- 3.28 certain of the Trades will be distributions under the Legislation in respect of which no exemption from the Prospectus Requirement is available;
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 Prospectus Requirement shall not apply to the Trades;
7. **THE FURTHER DECISION** of the Decision Makers under the Legislation is that the first trade of Wireless Shares issued in reliance on this Decision in a Jurisdiction shall be deemed to be a distribution under the Legislation of such Jurisdiction (the "Applicable Legislation") unless:
- 7.1 at the time of the first trade, Wireless is and has been a reporting issuer under the Applicable Legislation for the 12 months immediately preceding the trade;
- 7.2 no unusual effort is made to prepare the market or to create a demand for the Wireless Shares;
- 7.3 no extraordinary commission or consideration is paid to a person or company in respect of the trade;
- 7.4 if the seller of the securities is an insider or officer of Wireless, the seller has no reasonable grounds to believe that Wireless is in default of any requirement of the Applicable Legislation; and

7.5 the first trade is not from the holdings of a person or company or a combination of persons or companies holding a sufficient number of any securities of Wireless so as to affect materially the control of Wireless or more than 20% of the outstanding voting securities of Wireless, except where there is evidence showing that the holding of those securities does not affect materially the control of Wireless.

8. **THE FURTHER DECISION** of the Decision Makers under the Legislation is that, except for a trade made to Wireless upon the redemption of the Wireless Notes, the first trade of Wireless Notes issued in reliance on this Decision in a Jurisdiction shall be deemed to be a distribution under the Legislation of such Jurisdiction.

February 22, 2001.

Glenda A. Campbell
Vice-Chair

Jerry A. Bennis
FCA, Member

2.1.5 BMO Capital Trust & BMO Nesbitt Burns Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer is a related issuer of a registrant which may act as underwriter of securities of the issuer - registrant exempted from independent underwriter requirement in clause 224(1)(b) of Regulation.

Applicable Ontario Statutory Provisions

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

Application Ontario Regulations

In the Matter of the Limitations on a Registrant Underwriting Securities of a Related Issuer or Connected Issuer of the Registrant (1997), 20 OSCB 1217, as varied by (1999), 22 OSCB 58.

Proposed Instrument Cited

Multi-Jurisdictional Instrument 33-105 Underwriters Conflicts (1998), 21 OSCB 781.

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

AND

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

AND

**IN THE MATTER OF
BMO CAPITAL TRUST AND
BMO NESBITT BURNS INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Ontario, Quebec and Newfoundland (the "Jurisdictions") has received an application from BMO Nesbitt Burns Inc. (the "Lead Underwriter" or the "Filer") for a decision, pursuant to the securities legislation (the "Legislation") of the Jurisdictions, that the requirement (the "Independent Underwriter Requirement") contained in the Legislation, which prohibits a registrant from acting as underwriter in connection with a distribution of securities of an issuer, made by means of prospectus, where the issuer is a "related issuer" (or the equivalent) of the registrant, or, in connection with the distribution, a "connected issuer" (or the equivalent) of the registrant, without certain required participation in the distribution by an underwriter (an "Independent Underwriter"), in respect of which the issuer is neither a related issuer (or the equivalent) of the registrant, nor, in connection with the

distribution, a connected issuer (or the equivalent) of the registrant, shall not apply to the Filer in respect of the proposed offering (the "Offering") of Trust Capital Securities-Series B ("BMO BOaTS - Series B") of BMO Capital Trust (the "Issuer") to be made pursuant to a prospectus;

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

AND WHEREAS the Lead Underwriter has represented to the Decision Makers that:

1. The Issuer is a closed-end trust formed under the laws of Ontario by The Trust Company of the Bank of Montreal (the "Trustee"), a wholly-owned subsidiary of the Bank of Montreal (the "Bank").
2. The Issuer is a reporting issuer under the Legislation of each Jurisdiction and is not in default of any requirements of the Legislation.
3. The Issuer proposes to issue and sell to the public a second series of transferable trust units called BMO BOaTS-Series B. The Trust will also issue securities called special trust securities (the "Special Trust Securities" and, collectively with the BMO BOaTS-Series B, the "Trust Securities") to the Bank or affiliates of the Bank. To that end, a preliminary prospectus qualifying the Offering (the "Preliminary Prospectus") was filed on January 24, 2001 and a final long form prospectus (the "Prospectus") will be filed in all Canadian provinces and territories.
4. The first series of transferable trust units, called BMO BOaTS-Series A, was issued by the Trust in an offering equivalent to the one contemplated under the Preliminary Prospectus above on October 11, 2000. The BMO BOaTS-Series A and BMO BOaTS-Series B are collectively referred to as the "BMO BOaTS".
5. The BMO BOaTS Series-B are non-voting except in limited circumstances and the Special Trust Securities are voting securities. The Bank will covenant for the benefit of the holders of the BMO BOaTS Series-B that, for so long as any BMO BOaTS Series-B are outstanding, the Bank will maintain ownership, directly or indirectly, of 100% of the Special Trust Securities.
6. The Issuer will use the proceeds of the issue of the Trust Securities to purchase eligible trust assets consisting primarily of undivided co-ownership interests in one or more pools of first mortgages on residential property insured by Canada Mortgage and Housing Corporation or Mortgage-Backed Securities which will generate income for distribution to holders of Trust Securities. The Offering will provide investors with the opportunity to invest, through the holding of BMO BOaTS, in the trust assets, and will provide the Bank with a cost-effective means of raising capital for Canadian bank regulatory purposes.
7. The Issuer will distribute its Net Distributable Funds (as defined in the Preliminary Prospectus) on the last day

of June and December of each year commencing June 30, 2001 (each, a "Distribution Date"). On each Distribution Date, unless the Bank has failed to declare dividends on any of its preferred shares or, if no such shares are then outstanding, on its common shares, a holder of BMO BOaTS will be entitled to receive a non-cumulative fixed cash distribution (the "Indicated Distribution"). In the event the Bank fails to pay such dividends, all of the Net Distributable Funds of the Issuer will be payable to the Bank as the sole holder of the Special Trust Securities and holders of the BMO BOaTS will not receive a distribution.

8. Pursuant to the terms of the Bank Share Exchange Trust Agreements (as defined in the Preliminary Prospectus), the Bank will covenant for the benefit of holders of BMO BOaTS Series-B that if, on any Distribution Date where the Indicated Distribution is payable, the Issuer fails to pay the Indicated Distribution in full on the BMO BOaTS, the Bank will not declare dividends of any kind on certain classes of its shares including preferred shares and common shares until approximately ten calendar months following such Distribution Date unless the Issuer first pays such Indicated Distribution (or the unpaid portion thereof) to holders of BMO BOaTS.
9. In certain circumstances, the BMO BOaTS Series-B may be exchanged for preferred shares of the Bank. The Bank is the promoter of the Issuer and the Bank has signed a certificate page of the Preliminary Prospectus.
10. The Filer will underwrite a portion of the Offering that is larger than any other member of the underwriting syndicate.
11. The Filer is an indirect wholly-owned subsidiary of the Bank.
12. The Issuer is a "related issuer" (or the equivalent) to the Filer.
13. The nature and details of the relationship between the Issuer, the Filer and the Bank is described in the Preliminary Prospectus and will be described in the Prospectus. The information set out in Appendix C of the proposed Multi-Jurisdictional Instrument 33-105 will be contained in the Prospectus.
14. The Filer will receive no benefits relating to the Offering other than the payment of its fees in connection therewith.
15. Except for the Filer, the Issuer is neither a "related issuer" (or the equivalent), nor is it expected to be, in connection the Offering, a "connected issuer" (or the equivalent), of any of the other underwriters (the "Independent Underwriters").
16. The Independent Underwriters will underwrite a majority of the Offering, with one of the Independent Underwriters, CIBC World Markets Inc., underwriting at least 20% of the dollar value of the Offering. CIBC World Markets Inc. will participate in the drafting of the

Prospectus, the due diligence relating to the Offering and in the pricing of the Trust Securities. CIBC World Markets Inc.'s participation in the Offering will be disclosed in the Prospectus and each of CIBC World Markets Inc., the other Independent Underwriters and the Lead Underwriter will sign a certificate in the Prospectus.

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

AND WHEREAS each of the Decision Makers under the Legislation 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 Independent Underwriter Requirement shall not apply to the Lead Underwriter in connection with the Offering, provided that:

- (a) CIBC World Markets Inc. participates in the Offering as stated in paragraph 16 above;
- (b) the Prospectus contains the disclosure stated in paragraph 16 above; and
- (b) The relationship between the Issuer and the Filer is disclosed in the Prospectus.

February 27, 2001.

"Robert W. Davis"

"Howard I. Wetson"

2.1.6 Scotia Capital Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer is a "connected issuer" in respect of the Filers - Filers exempt from requirement in the Legislation that an independent underwriter underwrite a portion of the distribution at least equal to that underwritten by non-independent underwriters subject to certain conditions.

Applicable Ontario Regulations

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

Applicable Ontario Rules

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

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

AND

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

AND

**IN THE MATTER OF
SCOTIA CAPITAL INC.
AND TD SECURITIES INC.**

AND

**IN THE MATTER OF
ACS FREEZERS INCOME TRUST**

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of Ontario and Québec (the "Jurisdictions") has received an application from Scotia Capital Inc. ("SCI") and TD Securities Inc. ("TDSI" and together with SCI, 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 by an issuer made by means of a 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 underwritten by non-independent underwriters 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 Securities") of ACS Freezers Income Trust (the "Issuer") pursuant to a short-form prospectus (the "Prospectus");

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

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

1. The Issuer is a reporting issuer under the Legislation of each Jurisdiction and is not in default of any requirements of the Legislation.
2. The Trust is a special purpose trust the activities of which are limited specifically to investing in securities issued by Atlas Cold Storage Holdings Inc., a corporation involved in providing public refrigerated warehouse services.
3. The trust units of the Issuer are listed on The Toronto Stock Exchange.
4. The head office of the lead underwriter for the Offering is in Toronto, Ontario.
5. The Issuer has filed a preliminary short-form prospectus dated February 19, 2001 (the "Preliminary Prospectus") in the Jurisdictions.
6. The Offered Securities will be offered by BMO Nesbitt Burns Inc. (the "Lead Underwriter"), SCI, TDSI, RBC Dominion Securities Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc. and Thomson Kernaghan & Co. Limited (collectively, the "Underwriters").
7. The proportionate share of the Offering to be underwritten by each of the Underwriters is as follows:

BMO Nesbitt Burns Inc.	35%
Scotia Capital Inc.	23%
TD Securities Inc.	15%
RBC Dominion Securities Inc.	10%
National Bank Financial Inc.	7%
HSBC Securities (Canada) Inc.	7%
Thomson Kernaghan & Co. Limited	3%
	100%

8. Each of BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc. and Thomson Kernaghan & Co. Limited (the "Independent Underwriters") is an independent underwriter as defined in draft Multi-Jurisdictional Instrument 33-105 *Underwriting Conflicts* (the "Proposed Instrument") with respect to the Offering.

9. The Toronto-Dominion Bank (the "TD Bank") is the owner of approximately 17% of the outstanding trust units of the Issuer on a fully-diluted basis (approximately 22% on a partially-diluted basis). It is anticipated that contemporaneously with the Offering, TD Bank or an affiliated entity thereof will subscribe for additional trust units of the Issuer in connection with the exercise of certain pre-emptive rights provided in existing contractual arrangements between TD Bank, the Issuer and certain other securityholders of the Issuer or its subsidiaries.
10. The Bank of Nova Scotia ("BNS") is currently a lender to certain operating subsidiaries of the Issuer. All of the net proceeds of the Offering and of the concurrent sale of trust units to TD Bank and an additional securityholder of a subsidiary of the Issuer (as described in the Preliminary Prospectus) will be used to reduce the outstanding indebtedness of such subsidiaries to BNS.
11. By virtue of the relationships described above, the Issuer may, in connection with the Offering, be considered a connected issuer (or the equivalent) of each of the Filers.
12. The nature and details of the relationships between the Issuer and the Filers will be described in the Prospectus. The Prospectus will contain the information specified in Appendix "C" of the Proposed Instrument.
13. The decision to issue the Offered Securities, including the determination of the terms of such distribution, has been made through negotiations between the Issuer and the Underwriters, particularly the Lead Underwriter.
14. The Lead Underwriter will underwrite at least 20% of the Offering and the Independent Underwriters as a group will underwrite 62% of the Offering. The Prospectus will identify the Independent Underwriters and disclose the role of the Independent Underwriters in the structuring and pricing of the Offering and in the due diligence activities performed by the Underwriters.
15. The certificate in the Preliminary Prospectus has been and the certificate in the Prospectus will be signed by the Underwriters, including each of the Independent Underwriters.

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

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

THE DECISION of the Decision Makers, under the Legislation, is that the Independent Underwriter Requirement shall not apply to the Filers in connection with the Offering provided that:

- i. the Independent Underwriters participate in the Offering as stated in paragraph 14 above;
- ii. the Prospectus contains the disclosure stated in paragraphs 12 and 14 above; and
- iii. the relationships between the Issuer and the Filers are disclosed in the Prospectus.

February 27, 2001.

"J.A. Geller"

"Theresa McLeod"

2.2 Orders

2.2.1 Journey's End Number One Master and Company, Limited Partnership - s. 83

Headnote

Issuer deemed to have ceased to be reporting issuer under the Act.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 1(1), 6(3) and 83.

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

AND

**IN THE MATTER OF
JOURNEY'S END NUMBER ONE MASTER AND
COMPANY, LIMITED PARTNERSHIP**

**ORDER
(Section 83)**

WHEREAS Journey's End Number One Master and Company, Limited Partnership ("Journey's End"), a corporation formed under the laws of Quebec, has applied for an order pursuant to section 83 of the Act;

AND UPON it being represented to the Commission that:

1. Journey's End is a limited partnership governed by the laws of the Province of Quebec;
2. Journey's End is a reporting issuer under the Act and has been since November 28, 1989;
3. the limited partnership units of Journey's End (the "Units") have not been listed on any stock exchange at any time;
4. on November 17, 1997, the limited partners of Journey's End approved a program whereby limited partners of Journey's End would be given the opportunity to sell their Units at that time or some time in the future;
5. pursuant to the limited partnership agreement governing Journey's End, as amended as of January 15, 1998 in accordance with resolutions passed by the limited partners of Journey's End at the meeting on November 17, 1997, UniHost Corporation would be entitled to exercise a call on all Units at any time when the Units held by the persons other than UniHost Corporation and its subsidiaries represent 10% or less of the outstanding Units;

6. by September 8, 2000, W-Westmont Corp.(successor by amalgamation to UniHost Corporation), through its wholly-owned subsidiary Journey's End Property Holdings I, Inc. held in excess of 90% of outstanding Units;
7. W-Westmont Corp. exercised its call as of September 8, 2000 and all Units are now held by W-Westmount Corp. and its subsidiaries;
8. Journey's End is not in default of any of its obligations as a reporting issuer under the Act with the exception of its obligation to file its quarterly financial statements for the period ended September 30, 2000; the acquisition by W-Westmount Corp. and its subsidiaries of all of the other Units was completed before the obligation of the Journey's End to file the financial statements arose;

AND UPON the undersigned Manager being satisfied that to grant this order would not be prejudicial to the public interest;

IT IS ORDERED pursuant to section 83 of the Act that Journey's End is deemed to have ceased to be a reporting issuer for the purposes of the Act.

February 20, 2001.

"John Hughes"
Manager, Corporate Finance

2.2.2 Alliance Pipeline Ltd. Partnership - s. 147 & 80(b)(iii)

Headnote

Section 15.1 of Rule 41-501 – relief from certain requirements of Rule 41-501 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101 Subsection 5.1(1) of National Instrument 41-101 – relief from requirements of 41-101 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101 Section 147 – relief from the requirement that a period of ten days elapse between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for (final) prospectus Paragraph 80(b)(iii) – relief from the requirement to mail annual comparative financial statements concurrently with the filing of such financial statements, subject to conditions Subsection 59(2) of Schedule I – waiver of fees.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am, ss. 65(1), 78, 79, 80(b)(iii), 147.

Regulation Cited

Schedule I to General Regulation, Ont. Reg. 1015 R.R.O 1990, as am., s.59(2).

Rules Cited

National Instrument 41-101 Prospectus Disclosure Requirements (2000) 23 OSCB (Supp) 759.

Commission Rule 41-501 General Prospectus Requirements (2000) 23 OSCB (Supp) 765.

National Instrument 44-101 Short Form Prospectus Distributions (2000) 23 OSCB (Supp) 867.

National Instrument 44-102 Shelf Distributions (2000) 23 OSCB (Supp) 985.

**IN THE MATTER OF
THE SECURITIES ACT R.S.O. 1990, C.S.5, AS AMENDED
(the "Act"),
ONTARIO REGULATION 1015, R.R.O. 1990, AS
AMENDED (the "Regulation")
NI 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS
(the "Short Form Rule"),
NI 44-102 SHELF DISTRIBUTIONS (the "Shelf Rule"), NI
41-101
PROSPECTUS DISCLOSURE REQUIREMENTS (the
"Disclosure Rule")
and COMMISSION RULE 41-501 GENERAL
PROSPECTUS REQUIREMENTS
(the "General Prospectus Rule")**

AND

**IN THE MATTER OF
ALLIANCE PIPELINE LIMITED PARTNERSHIP
ORDER AND DECISION**

**(Section 147 and Paragraph 80(b)(iii) of the Act,
Section 15.1 of the General Prospectus Rule,
Subsection 5.1(1) of the Disclosure Rule and
Subsection 59(2) of Schedule I to the Regulation)**

WHEREAS Alliance Pipeline Limited Partnership (the "Applicant") filed a preliminary base shelf prospectus dated February 20, 2001 (the "Preliminary Prospectus") in accordance with the Short Form Rule and the Shelf Rule relating to the qualification of Senior Notes (the "Offering") and received a receipt therefor dated February 21, 2001;

AND WHEREAS the Applicant intends to file a (final) base shelf prospectus (the "Prospectus") in accordance with the Short Form Rule and the Shelf Rule and is desirous of receiving a receipt therefor forthwith;

AND WHEREAS the Applicant has applied for certain relief from the provisions of the Act, the Disclosure Rule and the General Prospectus Rule and for relief from the requirement to pay fees in connection with such application;

AND WHEREAS pursuant to an assignment dated April 12, 1999, as amended on September 7, 1999, February 15, 2000 and January 23, 2001, the Commission assigned certain of its powers and duties under the Act to each "Director", as that term is defined in subsection 1(1) of the Act;

AND WHEREAS on April 12, 1999 the Executive Director issued a determination and designation which designated, *inter alia*, each Manager in the Corporate Finance Branch of the Commission as a "Director" for the purposes of subsection 1(1) of the Act;

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

IT IS HEREBY DECIDED pursuant to section 15.1 of the General Prospectus Rule that the General Prospectus Rule, other than section 13.9 thereof, does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS FURTHER DECIDED pursuant to subsection 5.1(1) of the Disclosure Rule that the Disclosure Rule does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS HEREBY ORDERED pursuant to section 147 of the Act that the Offering is exempt from the requirement contained in subsection 65(1) of the Act that a period of ten days elapse between the issuance by the Director of a receipt for the Preliminary Prospectus and the issuance of a receipt for the Prospectus;

AND IT IS FURTHER ORDERED pursuant to paragraph 80(b)(iii) of the Act that section 79 of the Act does not apply to the Applicant insofar as it requires the Applicant to send financial statements filed under section 78 of the Act to each holder of its securities concurrently with their filing, if:

- (a) the Applicant files those financial statements earlier than 140 days from the end of its last financial year because it is required to do so, in connection with the Offering, by the Short Form Rule; and

- (b) the financial statements are sent within the time period specified in the Act for filing;

AND IT IS HEREBY DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Applicant be exempt from the requirement under the Act to pay fees in connection with the making of this application.

February 23, 2001.

"Iva Vranic"

2.2.3 Nexfor Inc. - s. 147

Headnote

Section 15.1 of Rule 41-501 – relief from certain requirements of Rule 41-501 where preliminary prospectuses and prospectuses filed in accordance with National Instrument 44-101.

Subsection 5.1(1) of National Instrument 41-101 – relief from requirements of 41-101 where preliminary prospectuses and prospectuses filed in accordance with National Instrument 44-101.

Section 147 – relief from the requirement that a period of ten days elapse between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for (final) prospectus.

Subsection 59(2) of Schedule I – waiver of fees.

Statutes Cited

Securities Act, R.S.O. 1990, c. S. 5. as am, ss. 65(1), 147.

Regulation Cited

Schedule I to General Regulation, Ont. Reg. 1015 R.R.O. 1990, as am., s. 59(2).

Rules Cited

National Instrument 41-101 Prospectus Disclosure Requirements (2000) 23 OSCB (Supp) 759.

Commission Rule 41-501 General Prospectus Requirements (2000) 23 OSCB (Supp) 765.

National Instrument 44-101 Short Form Prospectus Distributions (2000) 23 OSCB (Supp) 867.

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

ONTARIO REGULATION 1015, R.R.O. 1990, AS
AMENDED (the "Regulation")
NI 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS
(the "Short Form Rule")
NI 41-101 PROSPECTUS DISCLOSURE REQUIREMENTS
(the "Disclosure Rule")
and
COMMISSION RULE 41-501 GENERAL PROSPECTUS
REQUIREMENTS
(the "General Prospectus Rule")**

AND

**IN THE MATTER OF
NEXFOR INC.**

**ORDER AND DECISION
(Subsection 147 of the Act,**

**Section 15.1 of the General Prospectus Rule,
Subsection 5.1(1) of the Disclosure Rule and
Subsection 59(2) of Schedule I to the Regulation)**

WHEREAS Nexfor Inc. (the "Applicant") filed a preliminary prospectus dated February 19, 2001 (the "Preliminary Prospectus") in accordance with the Short Form Rule relating to the qualification of debt securities (the "Offering") and received a receipt therefor dated February 19, 2001;

AND WHEREAS the Applicant intends to file a (final) prospectus (the "Prospectus") in accordance with the Short Form Rule and is desirous of receiving a receipt therefor forthwith;

AND WHEREAS the Applicant has applied for certain relief from the provisions of the Act, the Disclosure Rule and the General Prospectus Rule and for relief from the requirement to pay fees in connection with such application;

AND WHEREAS pursuant to an assignment dated April 12, 1999, as amended on September 7, 1999, February 15, 2000 and January 23, 2001, the Commission assigned certain of its powers and duties under the Act to each "Director", as that term is defined in subsection 1(1) of the Act;

AND WHEREAS on April 12, 1999 the Executive Director issued a determination and designation which designated, *inter alia*, each Manager in the Corporate Finance Branch of the Commission as a "Director" for the purposes of subsection 1(1) of the Act;

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

IT IS HEREBY DECIDED pursuant to section 15.1 of the General Prospectus Rule that the General Prospectus Rule, other than section 13.9 thereof, does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS FURTHER DECIDED pursuant to subsection 5.1(1) of the Disclosure Rule that the Disclosure Rule does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS HEREBY ORDERED pursuant to section 147 of the Act that the Offering is exempt from the requirement contained in subsection 65(1) of the Act that a period of ten days elapse between the issuance by the Director of a receipt for the Preliminary Prospectus and the issuance of a receipt for the Prospectus;

AND IT IS HEREBY DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Applicant be exempt from the requirement under the Act to pay fees in connection with the making of its application.

February 23, 2001.

"Iva Vranic"

2.2.4 Noranda Inc. - s. 147 & 80(b)(iii)

Headnote

Section 15.1 of Rule 41-501 - relief from certain requirements of Rule 41-501 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Subsection 5.1(1) of National Instrument 41-101 – relief from requirements of 41-101 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101 .

Section 147 – relief from the requirement that a period of ten days elapse between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for (final) prospectus.

Paragraph 80(b)(iii) – relief from the requirement to mail annual comparative financial statements concurrently with the filing of such financial statements, subject to conditions.

Subsection 59(2) of Schedule I – waiver of fees.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am, ss. 65(1), 78, 79, 80(b)(iii), 147.

Regulation Cited

Schedule I to General Regulation, Ont. Reg. 1015 R.R.O 1990, as am., s.59(2).

Rules Cited

National Instrument 41-101 Prospectus Disclosure Requirements (2000) 23 OSCB (Supp) 759.

Commission Rule 41-501 General Prospectus Requirements (2000) 23 OSCB (Supp) 765.

National Instrument 44-101 Short Form Prospectus Distributions (2000) 23 OSCB (Supp) 867.

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C.S.5, AS AMENDED (the "Act"),
ONTARIO REGULATION 1015, R.R.O. 1990, AS
AMENDED (the "Regulation")
NI 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS
(the "Short Form Rule"),
NI 41-101 PROSPECTUS DISCLOSURE REQUIREMENTS
(the "Disclosure Rule")
and COMMISSION RULE 41-501 GENERAL
PROSPECTUS REQUIREMENTS
(the "General Prospectus Rule")**

AND

**IN THE MATTER OF
NORANDA INC.**

ORDER AND DECISION

(Section 147 and Paragraph 80(b)(iii) of the Act,
Section 15.1 of the General Prospectus Rule,
Subsection 5.1(1) of the Disclosure Rule and
Subsection 59(2) of Schedule I to the Regulation)

WHEREAS Noranda Inc. (the "Applicant") filed a preliminary prospectus dated February 7, 2001 (the "Preliminary Prospectus") in accordance with the Short Form Rule relating to the qualification of debt securities (the "Offering") and received a receipt therefor dated February 7, 2001;

AND WHEREAS the Applicant intends to file a (final) prospectus (the "Prospectus") in accordance with the Short Form Rule and is desirous of receiving a receipt therefor forthwith;

AND WHEREAS the Applicant has applied for certain relief from the provisions of the Act, the Disclosure Rule and the General Prospectus Rule and for relief from the requirement to pay fees in connection with such application;

AND WHEREAS pursuant to an assignment dated April 12, 1999, as amended on September 7, 1999, February 15, 2000 and January 23, 2001, the Commission assigned certain of its powers and duties under the Act to each "Director", as that term is defined in subsection 1(1) of the Act;

AND WHEREAS on April 12, 1999 the Executive Director issued a determination and designation which designated, *inter alia*, each Manager in the Corporate Finance Branch of the Commission as a "Director" for the purposes of subsection 1(1) of the Act;

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

IT IS HEREBY DECIDED pursuant to section 15.1 of the General Prospectus Rule that the General Prospectus Rule, other than section 13.9 thereof, does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS FURTHER DECIDED pursuant to subsection 5.1(1) of the Disclosure Rule that the Disclosure Rule does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS HEREBY ORDERED pursuant to section 147 of the Act that the Offering is exempt from the requirement contained in subsection 65(1) of the Act that a period of ten days elapse between the issuance by the Director of a receipt for the Preliminary Prospectus and the issuance of a receipt for the Prospectus;

AND IT IS FURTHER ORDERED pursuant to paragraph 80(b)(iii) of the Act that section 79 of the Act does not apply to the Applicant insofar as it requires the Applicant to send financial statements filed under section 78 of the Act to each holder of its securities concurrently with their filing, if:

- (a) the Applicant files those financial statements earlier than 140 days from the end of its last financial year because it is required to do so, in

connection with the Offering, by the Short Form Rule; and

- (b) the financial statements are sent within the time period specified in the Act for filing;

AND IT IS HEREBY DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Applicant be exempt from the requirement under the Act to pay fees in connection with the making of this application.

February 12, 2001.

"Margo Paul"

2.2.5 Cell-Loc Inc. - s. 147 & 80(b)(iii)

Headnote

Section 15.1 of Rule 41-501 - relief from certain requirements of Rule 41-501 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Subsection 5.1(1) of National Instrument 41-101 – relief from requirements of 41-101 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Section 147 – relief from the requirement that a period of ten days elapse between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for (final) prospectus.

Paragraph 80(b)(iii) – relief from the requirement to mail annual comparative financial statements concurrently with the filing of such financial statements, subject to conditions.

Subsection 59(2) of Schedule I – waiver of fees.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am, ss. 65(1), 78, 79, 80(b)(iii), 147.

Regulation Cited

Schedule I to General Regulation, Ont. Reg. 1015 R.R.O 1990, as am., s.59(2).

Rules Cited

National Instrument 41-101 Prospectus Disclosure Requirements (2000) 23 OSCB (Supp) 759.

Commission Rule 41-501 General Prospectus Requirements (2000) 23 OSCB (Supp) 765.

National Instrument 44-101 Short Form Prospectus Distributions (2000) 23 OSCB (Supp) 867.

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C.S.5, AS AMENDED (the "Act"),
ONTARIO REGULATION 1015, R.R.O. 1990, AS
AMENDED (the "Regulation")
NI 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS
(the "Short Form Rule"),
NI 41-101 PROSPECTUS DISCLOSURE REQUIREMENTS
(the "Disclosure Rule")
and COMMISSION RULE 41-501 GENERAL
PROSPECTUS REQUIREMENTS
(the "General Prospectus Rule")**

AND

**IN THE MATTER OF
CELL-LOC INC.**

**ORDER AND DECISION
(Section 147 and Paragraph 80(b)(iii) of the Act,
Section 15.1 of the General Prospectus Rule,
Subsection 5.1(1) of the Disclosure Rule and
Subsection 59(2) of Schedule I to the Regulation)**

WHEREAS Cell-Loc Inc. (the "Applicant") filed a preliminary prospectus dated January 18, 2001 (the "Preliminary Prospectus") in accordance with the Short Form Rule relating to the qualification of 5,400,000 (the "Offering") and received a receipt therefor dated January 18, 2001;

AND WHEREAS the Applicant intends to file a (final) prospectus (the "Prospectus") in accordance with the Short Form Rule and is desirous of receiving a receipt therefor forthwith;

AND WHEREAS the Applicant has applied for certain relief from the provisions of the Act, the Disclosure Rule and the General Prospectus Rule and for relief from the requirement to pay fees in connection with such application;

AND WHEREAS pursuant to an assignment dated April 12, 1999, as amended on September 7, 1999, February 15, 2000 and January 23, 2001, the Commission assigned certain of its powers and duties under the Act to each "Director", as that term is defined in subsection 1(1) of the Act;

AND WHEREAS on April 12, 1999 the Executive Director issued a determination and designation which designated, *inter alia*, each Manager in the Corporate Finance Branch of the Commission as a "Director" for the purposes of subsection 1(1) of the Act;

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

IT IS HEREBY DECIDED pursuant to section 15.1 of the General Prospectus Rule that the General Prospectus Rule, other than section 13.9 thereof, does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS FURTHER DECIDED pursuant to subsection 5.1(1) of the Disclosure Rule that the Disclosure Rule does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS HEREBY ORDERED pursuant to section 147 of the Act that the Offering is exempt from the requirement contained in subsection 65(1) of the Act that a period of ten days elapse between the issuance by the Director of a receipt for the Preliminary Prospectus and the issuance of a receipt for the Prospectus;

AND IT IS FURTHER ORDERED pursuant to paragraph 80(b)(iii) of the Act that section 79 of the Act does not apply to the Applicant insofar as it requires the Applicant to send financial statements filed under section 78 of the Act to each holder of its securities concurrently with their filing, if:

- (a) the Applicant files those financial statements earlier than 140 days from the end of its last financial year because it is required to do so, in connection with the Offering, by the Short Form Rule; and

- (b) the financial statements are sent within the time period specified in the Act for filing;

AND IT IS HEREBY DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Applicant be exempt from the requirement under the Act to pay fees in connection with the making of this application.

January 24, 2001.

"Margo Paul"

2.2.6 Teknion Corporation - s. 147(b)(iii)

Headnote

Section 15.1 of Rule 41-501 - relief from certain requirements of Rule 41-501 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Subsection 5.1(1) of National Instrument 41-101 – relief from requirements of 41-101 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Section 147 – relief from the requirement that a period of ten days elapse between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for (final) prospectus.

Paragraph 80(b)(iii) – relief from the requirement to mail annual comparative financial statements concurrently with the filing of such financial statements, subject to conditions

Subsection 59(2) of Schedule I – waiver of fees.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am, ss. 65(1), 78, 79, 80(b)(iii), 147.

Regulation Cited

Schedule I to General Regulation, Ont. Reg. 1015 R.R.O 1990, as am., s.59(2).

Rules Cited

National Instrument 41-101 Prospectus Disclosure Requirements (2000) 23 OSCB (Supp) 759.

Commission Rule 41-501 General Prospectus Requirements (2000) 23 OSCB (Supp) 765.

National Instrument 44-101 Short Form Prospectus Distributions (2000) 23 OSCB (Supp) 867.

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C.S.5, AS AMENDED (the "Act"),
ONTARIO REGULATION 1015, R.R.O. 1990, AS
AMENDED (the "Regulation")
NI 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS
(the "Short Form Rule"),
NI 41-101 PROSPECTUS DISCLOSURE REQUIREMENTS
(the "Disclosure Rule")
and COMMISSION RULE 41-501 GENERAL
PROSPECTUS REQUIREMENTS
(the "General Prospectus Rule")**

AND

**IN THE MATTER OF
TEKNION CORPORATION**

ORDER AND DECISION
(Section 147 and Paragraph 80(b)(iii) of the Act,
Section 15.1 of the General Prospectus Rule,
Subsection 5.1(1) of the Disclosure Rule and
Subsection 59(2) of Schedule I to the Regulation)

WHEREAS Teknion Corporation (the "Applicant") filed a preliminary prospectus dated February 16, 2001 (the "Preliminary Prospectus") in accordance with the Short Form Rule relating to the qualification of 5,500,000 subordinate voting shares of the Applicant (the "Offering") and received a receipt therefor dated February 19, 2001;

AND WHEREAS the Applicant intends to file a (final) prospectus (the "Prospectus") in accordance with the Short Form Rule and is desirous of receiving a receipt therefor forthwith;

AND WHEREAS the Applicant has applied for certain relief from the provisions of the Act, the Disclosure Rule and the General Prospectus Rule and for relief from the requirement to pay fees in connection with such application;

AND WHEREAS pursuant to an assignment dated April 12, 1999, as amended on September 7, 1999, February 15, 2000 and January 23, 2001, the Commission assigned certain of its powers and duties under the Act to each "Director", as that term is defined in subsection 1(1) of the Act;

AND WHEREAS on April 12, 1999 the Executive Director issued a determination and designation which designated, *inter alia*, each Manager in the Corporate Finance Branch of the Commission as a "Director" for the purposes of subsection 1(1) of the Act;

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

IT IS HEREBY DECIDED pursuant to section 15.1 of the General Prospectus Rule that the General Prospectus Rule, other than section 13.9 thereof, does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS FURTHER DECIDED pursuant to subsection 5.1(1) of the Disclosure Rule that the Disclosure Rule does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS HEREBY ORDERED pursuant to section 147 of the Act that the Offering is exempt from the requirement contained in subsection 65(1) of the Act that a period of ten days elapse between the issuance by the Director of a receipt for the Preliminary Prospectus and the issuance of a receipt for the Prospectus;

AND IT IS FURTHER ORDERED pursuant to paragraph 80(b)(iii) of the Act that section 79 of the Act does not apply to the Applicant insofar as it requires the Applicant to send financial statements filed under section 78 of the Act to each holder of its securities concurrently with their filing, if:

- (a) the Applicant files those financial statements earlier than 140 days from the end of its last financial year because it is required to do so, in

connection with the Offering, by the Short Form Rule; and

- (b) the financial statements are sent within the time period specified in the Act for filing;

AND IT IS HEREBY DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Applicant be exempt from the requirement under the Act to pay fees in connection with the making of this application.

February 23, 2001.

"I. Vranic"

2.2.7 Quebecor World - s. 147 & 80(b)(iii)

Headnote

Section 15.1 of Rule 41-501 - relief from certain requirements of Rule 41-501 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Subsection 5.1(1) of National Instrument 41-101 – relief from requirements of 41-101 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-101.

Section 147 – relief from the requirement that a period of ten days elapse between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for (final) prospectus.

Paragraph 80(b)(iii) – relief from the requirement to mail annual comparative financial statements concurrently with the filing of such financial statements, subject to conditions.

Subsection 59(2) of Schedule I – waiver of fees.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am, ss. 65(1), 78, 79, 80(b)(iii), 147.

Regulation Cited

Schedule I to General Regulation, Ont. Reg. 1015 R.R.O 1990, as am., s.59(2).

Rules Cited

National Instrument 41-101 Prospectus Disclosure Requirements (2000) 23 OSCB (Supp) 759.

Commission Rule 41-501 General Prospectus Requirements (2000) 23 OSCB (Supp) 765.

National Instrument 44-101 Short Form Prospectus Distributions (2000) 23 OSCB (Supp) 867.

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C.S.5, AS AMENDED (the "Act"),
ONTARIO REGULATION 1015, R.R.O. 1990, AS
AMENDED (the "Regulation")
NI 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS
(the "Short Form Rule"),
NI 41-101 PROSPECTUS DISCLOSURE REQUIREMENTS
(the "Disclosure Rule")
and COMMISSION RULE 41-501 GENERAL
PROSPECTUS REQUIREMENTS
(the "General Prospectus Rule")**

AND

**IN THE MATTER OF
QUEBECOR WORLD**

ORDER AND DECISION
**(Section 147 and Paragraph 80(b)(iii) of the Act,
Section 15.1 of the General Prospectus Rule,
Subsection 5.1(1) of the Disclosure Rule and
Subsection 59(2) of Schedule I to the Regulation)**

WHEREAS Quebecor World Inc. (the "**Applicant**") filed a preliminary prospectus dated 9, 2001 (the "**Preliminary Prospectus**") in accordance with the Short Form Rule relating to the qualification of 6,000,000 6.75% cumulative redeemable first preferred shares, series 4 (with an option to the underwriters for an additional 2,000,000 shares) (the "**Offering**") and received a receipt therefor dated February 9, 2001;

AND WHEREAS the Applicant intends to file a (final) prospectus (the "**Prospectus**") in accordance with the Short Form Rule and is desirous of receiving a receipt therefor forthwith;

AND WHEREAS the Applicant has applied for certain relief from the provisions of the Act, the Disclosure Rule and the General Prospectus Rule and for relief from the requirement to pay fees in connection with such application;

AND WHEREAS pursuant to an assignment dated April 12, 1999, as amended on September 7, 1999, February 15, 2000 and January 23, 2001, the Commission assigned certain of its powers and duties under the Act to each "Director", as that term is defined in subsection 1(1) of the Act;

AND WHEREAS on April 12, 1999 the Executive Director issued a determination and designation which designated, *inter alia*, each Manager in the Corporate Finance Branch of the Commission as a "Director" for the purposes of subsection 1(1) of the Act;

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

IT IS HEREBY DECIDED pursuant to section 15.1 of the General Prospectus Rule that the General Prospectus Rule, other than section 13.9 thereof, does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS FURTHER DECIDED pursuant to subsection 5.1(1) of the Disclosure Rule that the Disclosure Rule does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS HEREBY ORDERED pursuant to section 147 of the Act that the Offering is exempt from the requirement contained in subsection 65(1) of the Act that a period of ten days elapse between the issuance by the Director of a receipt for the Preliminary Prospectus and the issuance of a receipt for the Prospectus;

AND IT IS FURTHER ORDERED pursuant to paragraph 80(b)(iii) of the Act that section 79 of the Act does not apply to the Applicant insofar as it requires the Applicant to send financial statements filed under section 78 of the Act to each holder of its securities concurrently with their filing, if:

- (a) the Applicant files those financial statements earlier than 140 days from the end of its last

financial year because it is required to do so, in connection with the Offering, by the Short Form Rule; and

- (b) the financial statements are sent within the time period specified in the Act for filing;

AND IT IS HEREBY DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Applicant be exempt from the requirement under the Act to pay fees in connection with the making of this application.

February 21, 2001.

"John Hughes"

2.2.8 Superior Propane Income Fund - s.147

Headnote

Section 147 – relief granted from the requirement that a period of ten days elapse between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for a (final) prospectus

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am, ss. 65(1), 147.

Rules Cited

National Instrument 44-101 – Short Form Prospectus Distributions (2000) 23 OSCB (Supp) 867.

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

AND

**IN THE MATTER OF
SUPERIOR PROPANE INCOME FUND**

**ORDER
(Section 147)**

WHEREAS Superior Propane Income Fund (the "Applicant") filed a preliminary prospectus dated January 15, 2001 (the "Preliminary Prospectus") in accordance with National Instrument 44-101 -- *Short Form Prospectus Distributions* (the "Short Form Rule") relating to an offering of 100,000 Subscription Receipts of the Applicant and received a receipt therefor dated January 16, 2001;

AND WHEREAS the Applicant may file a (final) prospectus on or before January 26, 2001 (the "Prospectus") in accordance with the Short Form Rule and seeks a receipt forthwith thereafter;

AND WHEREAS the Short Form Rule may not provide for relief from the requirement contained in subsection 65(1) of the Act that a period of ten days elapse between the issuance by the Director of a receipt for a preliminary prospectus relating to the offering of a security and the issuance of a receipt for a (final) prospectus (the "Waiting Period Requirement");

AND WHEREAS the Applicant has applied to the Ontario Securities Commission (the "Commission") for an order pursuant to section 147 of the Act that the offering be exempt from the Waiting Period Requirement;

AND WHEREAS the Commission has considered the application and the recommendation of staff to the Commission and is satisfied that to do so would not be prejudicial to the public interest

IT IS ORDERED pursuant to section 147 of the Act that:

- (a) the Waiting Period Requirement shall not apply to the Offering; and
- (b) no fee shall be payable in connection with the making of this application.

January 19, 2001.

"John A. Geller"

"R. Stephen Paddon"

2.2.9 The Thomson Corporation - s. 147 & 80(b)(iii)

Headnote

Section 15.1 of Rule 41-501 - relief from certain requirements of Rule 41-501 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-102.

Subsection 5.1(1) of National Instrument 41-101 – relief from requirements of 41-101 where preliminary prospectus and prospectus filed in accordance with National Instrument 44-102.

Section 147 – relief from the requirement that a period of ten days elapse between the issuance of a receipt for a preliminary prospectus and the issuance of a receipt for (final) prospectus.

Paragraph 80(b)(iii) – relief from the requirement to mail annual comparative financial statements concurrently with the filing of such financial statements, subject to conditions.

Subsection 59(2) of Schedule I – waiver of fees.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am, ss. 65(1), 78, 79, 80(b)(iii), 147.

Regulation Cited

Schedule I to General Regulation, Ont. Reg. 1015 R.R.O 1990, as am., s.59(2).

Rules Cited

National Instrument 41-101 Prospectus Disclosure Requirements (2000) 23 OSCB (Supp) 759.

Commission Rule 41-501 General Prospectus Requirements (2000) 23 OSCB (Supp) 765.

National Instrument 44-101 Short Form Prospectus Distributions (2000) 23 OSCB (Supp) 867.

National Instrument 44-102 Shelf Distributions (2000) 23 OSCB (Supp) 565.

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C.S.5, AS AMENDED (the "Act"),
ONTARIO REGULATION 1015, R.R.O. 1990, AS
AMENDED (the "Regulation"),
NI 44-102 SHELF DISTRIBUTIONS (the "Shelf
Distributions Rule"),
NI 44-101 SHORT FORM PROSPECTUS DISTRIBUTIONS
(the "Short Form Rule"),
NI 41-101 PROSPECTUS DISCLOSURE REQUIREMENTS
(the "Disclosure Rule")
and COMMISSION RULE 41-501 GENERAL
PROSPECTUS REQUIREMENTS
(the "General Prospectus Rule")**

AND

IN THE MATTER OF
THE THOMSON CORPORATION

ORDER AND DECISION

(Section 147 and Paragraph 80(b)(iii) of the Act,
Section 15.1 of the General Prospectus Rule,
Subsection 5.1(1) of the Disclosure Rule and
Subsection 59(2) of Schedule I to the Regulation)

WHEREAS The Thomson Corporation (the "Applicant") filed a preliminary prospectus dated February 13, 2001 (the "Preliminary Prospectus") in accordance with the Short Form Rule as varied by the Shelf Distributions Rule relating to the qualification of debt securities (the "Offering") and received a receipt therefor dated February 14, 2001;

AND WHEREAS the Applicant intends to file a (final) prospectus (the "Prospectus") in accordance with the Short Form Rule as varied by the Shelf Distributions Rule and is desirous of receiving a receipt therefor forthwith;

AND WHEREAS the Applicant has applied for certain relief from the provisions of the Act, the Disclosure Rule and the General Prospectus Rule and for relief from the requirement to pay fees in connection with such application;

AND WHEREAS pursuant to an assignment dated April 12, 1999, as amended on September 7, 1999, February 15, 2000 and January 23, 2001, the Commission assigned certain of its powers and duties under the Act to each "Director", as that term is defined in subsection 1(1) of the Act;

AND WHEREAS on April 12, 1999 the Executive Director issued a determination and designation which designated, *inter alia*, each Manager in the Corporate Finance Branch of the Commission as a "Director" for the purposes of subsection 1(1) of the Act;

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

IT IS HEREBY DECIDED pursuant to section 15.1 of the General Prospectus Rule that the General Prospectus Rule, other than section 13.9 thereof, does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS FURTHER DECIDED pursuant to subsection 5.1(1) of the Disclosure Rule that the Disclosure Rule does not apply to the Preliminary Prospectus and the Prospectus;

AND IT IS HEREBY ORDERED pursuant to section 147 of the Act that the Offering is exempt from the requirement contained in subsection 65(1) of the Act that a period of ten days elapse between the issuance by the Director of a receipt for the Preliminary Prospectus and the issuance of a receipt for the Prospectus;

AND IT IS FURTHER ORDERED pursuant to paragraph 80(b)(iii) of the Act that section 79 of the Act does not apply to the Applicant insofar as it requires the Applicant to send financial statements filed under section 78 of the Act to each holder of its securities concurrently with their filing, if:

- (a) the Applicant files those financial statements earlier than 140 days from the end of its last financial year because it is required to do so, in connection with the Offering, by the Short Form Rule; and
- (b) the financial statements are sent within the time period specified in the Act for filing;

AND IT IS HEREBY DECIDED pursuant to subsection 59(2) of Schedule I to the Regulation that the Applicant be exempt from the requirement under the Act to pay fees in connection with the making of this application.

February 20, 2001.

"John Hughes"

2.3 Rulings

2.3.1 World Travel Holdings plc - ss. 74(1)

Headnote

Subsection 74(1) - Registration and prospectus relief granted in respect of trades in exchangeable securities of non-reporting Canadian issuer common shares of U.K. issuer and grant of various rights attached to the exchangeable securities - first trade relief granted in respect of trades in exchangeable securities and underlying common shares received upon the exercise of rights attached to the exchangeable shares.

Statutes Cited

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

Regulations Cited

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

Rules Cited

Rule 72-501 - Prospectus Exemptions for First Trade once a Market outside Ontario.

Rule 45-501 - Exempt Distributions.

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

AND

IN THE MATTER OF
WORLD TRAVEL HOLDINGS plc

RULING
(Subsection 74(1))

UPON the application by World Travel Holdings plc ("WTH") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 74(1) of the Act that certain trades made in connection with the acquisition (the "Acquisition") by WTH, through a company to be incorporated under the laws of a province of Canada and which will be a wholly-owned subsidiary of WTH ("Exchangeco"), of all the issued and outstanding shares of Netfaresonline.com Inc. ("NFO") are not subject to section 25 or 53 of the Act, subject to certain terms and conditions;

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

AND UPON WTH having represented to the Commission that:

1. NFO was incorporated under the laws of Canada on September 29, 1999. NFO's head office is located at

3100 Ridgeway Drive, Unit 16, Mississauga, Ontario L5L 5M5.

2. The authorized share capital of NFO consists of an unlimited number of common shares (the "NFO Shares"). As of January 26, 2001, there were 100 NFO Shares issued and outstanding, of which 50 were held by Softvoyage Inc. ("SV") and 50 were held by Flight Network Inc. ("FNI") (SV and FNI are collectively referred to as the "Shareholders").
3. SV is a company incorporated under the laws of Canada. SV's head office is located at 5115 de Gaspé Street, Suite 630, Montreal, Québec H2T 3B7.
4. FNI is a company incorporated under the laws of Ontario. FNI's head office is located at 3100 Ridgeway Drive, Unit 16, Mississauga, Ontario L5L 5M5.
5. NFO is a private company within the meaning of the Act and is not and has no intention of becoming a "reporting issuer" in Ontario or under the securities legislation of any other province or territory of Canada.
6. NFO's principal business activities consist of internet travel booking services.
7. WTH is a public company incorporated under the laws of England and is subject to the various companies and securities laws of England.
8. As of January 26, 2001, the authorized capital of WTH consisted of 70,000,000 ordinary shares (the "WTH Shares") of 1 pence nominal value each, of which 56,918,564 were issued and outstanding.
9. The WTH Shares are listed on the Alternative Investment Market of the London Stock Exchange. As at the date hereof, WTH is not and has no intention of becoming a "reporting issuer" in Ontario as defined in the Act or under the securities legislation of any other province or territory of Canada.
10. Exchangeco will be a wholly-owned subsidiary of WTH. It will be incorporated under the laws of a province of Canada for the purpose of implementing the Acquisition.
11. The authorized capital of Exchangeco shall consist of (i) an unlimited number of common shares without nominal or par value, (ii) an unlimited number of exchangeable shares without nominal or par value in the capital of Exchangeco, exchangeable for WTH Shares (the "Exchangeable Shares"), (iii) two (2) Class A convertible preferred shares without nominal or par value in the capital of Exchangeco convertible into Exchangeable Shares (the "Class A Shares"), (iv) two (2) Class B convertible preferred shares without nominal or par value in the capital of Exchangeco convertible into Exchangeable Shares (the "Class B Shares") and (v) two (2) Class C convertible preferred shares without nominal or par value in the capital of Exchangeco convertible into Exchangeable Shares (the "Class C Shares").

12. WTH, SV, FNI, Louis Mercier ("LM") and Naman Budhdeo ("NB") have entered into a share purchase agreement (the "Share Purchase Agreement") dated January 26, 2001 which provides for the Acquisition of NFO by Exchangeco.
13. Pursuant to the Share Purchase Agreement, and subject to the terms and conditions thereof, Exchangeco will purchase, at closing, all of the NFO Shares in consideration for the issuance to the Shareholders of:
- (a) the number of Exchangeable Shares determined by dividing \$3,000,000 (the "Closing Payment") converted to pence on the basis of the noon spot rate of the Bank of Canada established on the business day immediately preceding the date on which the determination is made (the "Conversion Ratio") by the lower of (i) the average closing price of a WTH Share on the London Stock Exchange during the ten (10) trading days immediately preceding the date of the Share Purchase Agreement (the "Market Value") of the WTH Shares and (ii) 75p, subject to a minimum of 50p;
 - (b) one Class A Share to each Shareholder;
 - (c) one Class B Share to each Shareholder; and
 - (d) one Class C Share to each Shareholder.
14. A holder of Class A Shares shall be deemed, on a specific date after the closing of the Acquisition to be determined in accordance with the Class A Share, Class B Share and Class C Share provisions (the "Preferred Share Provisions"), to have required Exchangeco to convert its Class A Share(s) registered in the name of such holder and without payment of additional consideration, into its pro rata share of such number of fully paid and non assessable Exchangeable Shares as determined in accordance with the Share Purchase Agreement.
15. A holder of Class B Shares shall be deemed, on a specific date after the closing of the Acquisition to be determined in accordance with the Preferred Share Provisions, to have required Exchangeco to convert its Class B Share(s) registered in the name of such holder and without payment of additional consideration, into its pro rata share of such number of fully paid and non-assessable Exchangeable Shares determined by dividing an earn-out payment determined in accordance with the Share Purchase Agreement (the "First Earn-Out Payment") by the lower of the Market Value of a WTH Share as at the end of a base period and 250p, subject to a minimum of 60p.
16. A holder of the Class C Shares shall be deemed, on a specific date after the closing of the Acquisition to be determined in accordance with the Preferred Share Provisions, to have required Exchangeco to convert its Class C Share(s) registered in the name of such holder and without the payment of additional consideration, into its pro rata share of such number of fully paid and non-assessable Exchangeable Shares determined by dividing a second earn-out payment determined in accordance with the Share Purchase Agreement (the "Second Earn-Out Payment") by the lower of the Market Value of a WTH Share and 400p, subject to a minimum of 60p, as at the end of a second base period.
17. Finally, the occurrence of certain special circumstances will cause the Class A Shares, Class B Shares and Class C Shares outstanding, if any, to be automatically redeemed or converted:
- (a) If, before the date of payment of the Second Earn-Out Payment, NB ceases to be Chief Executive Officer of NFO by reason of (i) the termination of his employment without cause, or (ii) his transfer to other functions within WTH's organization without his prior consent, all of the then outstanding Class A Shares, Class B Shares and Class C Shares shall be redeemed against payment of such number of Exchangeable Shares exchangeable for WTH Shares having a Market Value of \$7,000,000 as of the date of the termination or transfer, less the amount of the First Earn-Out Payment, if any.
 - (b) In the event any person, firm or corporation, other than WTH and any of its affiliates or subsidiaries, ceases to own a majority of the common shares of NFO, all of the Class A Shares, Class B Shares and Class C Shares issued and outstanding as of the date of completion of such Acquisition shall be automatically converted into a number of Exchangeable Shares equal to (i) \$10,000,000 minus the sum of (A) \$3,000,000 and (B) the aggregate value, at the time of conversion, of any Class A Shares, Class B Shares and Class C Shares already converted into Exchangeable Shares, converted to pence on the basis of the Conversion Ratio and divided by (ii) the lower of the Market Value of the WTH Shares as at the date of completion of such Acquisition and (x) 75p, subject to a minimum of 50p if such Acquisition occurs prior to July 31, 2002, (y) 250p, subject to a minimum of 60p, if such Acquisition occurs after July 31, 2002 but on or before July 31, 2003, and (z) 400p, subject to a minimum of 60p if such Acquisition occurs after July 31, 2003.
 - (c) In the event a transaction occurs as a result of which the WTH Shares cease to be listed on the London Stock Exchange or any other recognised stock exchange or the stockholders of WTH approve a plan of complete liquidation of WTH or an arrangement for the sale or disposition by WTH of all or a substantial portion of WTH's assets, all of the Class A Shares, Class B Shares and Class C Shares issued and outstanding as of the date of completion of such WTH transaction shall, in lieu of being converted as set out in paragraphs 14, 15 or 16 hereof, as the case may be, be redeemed, at the end of such periods, by Exchangeco for a cash amount

- equal to an amount determined in accordance with the Preferred Share Provisions at the time of redemption of any such Class A Shares, Class B Shares and Class C Shares.
18. If, before the date of payment of the Second Earn-Out Payment, NB ceases to be Chief Executive Officer of NFO by reason of (i) the termination of his employment with cause, or (ii) his resignation, FNI shall transfer, upon cessation of his employment, its Class B Share and Class C Share, if any, in equal portion to SV and WTH for an aggregate amount of one dollar (\$1.00).
 19. If, at any time before the date on which the Second Earn-Out Payment is made, SV materially breaches its obligations contained in the license agreement which will be entered into at closing among SV, NFO and WTH, whether in respect of the licensed software or the services to be provided pursuant to such agreement, and if that breach materially deprives NFO of the benefit of such licensing agreement or entails significant economic losses for NFO, then SV shall transfer upon receipt by SV of a notice of the breach, its Class B Share and Class C Share to FNI and WTH for an aggregate amount of one dollar (\$1.00).
 20. The maximum consideration that is payable to SV and FNI under the Share Purchase Agreement is \$10,000,000.
 21. Contemporaneously with the closing of the Acquisition, WTH and Exchangeco will enter into a support agreement (the "Support Agreement") which will provide that, among other things, WTH and Exchangeco (a) will not declare or pay any dividends on WTH Shares unless (i) Exchangeco has sufficient resources available to declare and pay such dividends on the Exchangeable Shares, and (ii) Exchangeco simultaneously declares or pays, as the case may be, such equivalent dividends; and (b) will ensure that Exchangeco will be able to honour the redemption and retraction rights and entitlements upon liquidation which, as described below, are attributes of Exchangeable Shares.
 22. The Exchangeable Shares shall rank on a *pari passu* basis with the Class A Shares, Class B Shares and Class C Shares and shall have preference over the Exchangeco common shares and any other shares ranking junior to the Exchangeable Shares, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of Exchangeco. Dividends payable on the Exchangeable Shares are to be paid at the same time and in the same amounts as dividends payable on the WTH Shares, although WTH share dividends would be paid to the Holders in Exchangeable Shares.
 23. So long as any of the Exchangeable Shares are outstanding and any dividends required to have been declared and paid on the outstanding Exchangeable Shares have not been declared and paid in full, Exchangeco shall not at any time without, but may at any time with, the approval of the Holders of the Exchangeable Shares given in accordance with the share provisions:
 - (a) pay any dividends on the Exchangeco common shares, or any other shares ranking junior to the Exchangeable Shares, other than share dividends payable in any such other shares ranking junior to the Exchangeable Shares;
 - (b) redeem, retract or purchase or make any capital distribution in respect of Exchangeco common shares or any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends or on any liquidation distribution; or
 - (c) redeem, retract or purchase any other shares of Exchangeco ranking equally with the Exchangeable Shares with respect to the payment of dividends or on any liquidation distribution.
 24. On the liquidation of Exchangeco, each Holder has the right to receive an amount for each Exchangeable Share equal to (i) the average closing price per WTH Share over the 20 consecutive trading days ending five trading days before such day on the London Stock Exchange, or if the WTH Shares have not been listed on the London Stock Exchange, on such other principal stock exchange or automatic quotation system on which WTH Shares are listed or quoted, as the case may be, as may be selected by the board of directors of Exchangeco (the "Current Market Price"), plus (ii) an additional amount equal to the full amount of all cash dividends declared, payable and unpaid on such Exchangeable Share, plus (iii) an additional amount equal to all dividends declared and payable on a WTH Share which have not been declared on Exchangeable Shares in accordance with the share provisions plus (iv) an additional amount representing non-cash dividends, payable and unpaid on such Exchangeable Share (the "Exchangeable Share Price") subject to WTH's overriding call right (the "Liquidation Call Right") to acquire the Exchangeable Shares in consideration for an amount per share equal to the Exchangeable Share Price applicable on the last business day prior to the liquidation date.
 25. Exchangeable Shares can also be retracted by the Holder (the "Retraction Right") for a retraction price per share equal to the Exchangeable Share Price, subject to WTH's overriding call right (the "Retraction Call Right") to acquire the Exchangeable Shares in consideration for the Exchangeable Share Price applicable on the last business day prior to the retraction date.
 26. The Exchangeable Shares must be redeemed by Exchangeco on the earlier of (the "Automatic Redemption Date"): (i) if there is outstanding a proposed transaction as a result of which the WTH Shares would cease to be listed on the London Stock Exchange or any other recognised stock exchange or if the stockholders of WTH shall have approved a plan

of complete liquidation of WTH or an agreement for the sale or disposition by WTH of all or a substantial portion of WTH's assets, (ii) if there are less than a certain number of Exchangeable Shares outstanding, which number shall be determined prior to closing, and (iii) six years from the date of first issue of the Exchangeable Shares, subject to WTH's overriding call right (the "Redemption Call Right") to acquire the Exchangeable Shares from the Holder in consideration of an amount per Exchangeable Share equal to the Exchangeable Share Price applicable on the last business day prior to the Automatic Redemption Date.

27. Subject to applicable law, the Exchangeable Shares are non-voting except in certain circumstances described in the share provisions.
28. In addition to the acquisition of all of the NFO Shares by Exchangeco and the issuance of the Exchangeable Shares, Class A Shares, Class B Shares and Class C Shares, certain trades or potential trades in Exchangeable Shares, Class A Shares, Class B Shares, Class C Shares and WTH Shares will or may take place in connection with the various exchange and call rights created under the Exchangeable Share provisions, the Preferred Share Provisions, the Support Agreement and the exchange agreement to be entered into at closing among WTH, Exchangeco, SV and FNI. To the extent that there are no statutory exemptions from sections 25 and 53 of the Act available for such trades (the "Non-Exempt Trades"), exemptive relief is required.
29. It is expected that all Ontario residents holding Exchangeable Shares (which will only consist of FNI) will constitute less than 10% of the total number of Holders of WTH Shares, holding less than 10% of the total issued and outstanding WTH Shares.

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

IT IS RULED pursuant to subsection 74(1) of the Act that the Non-Exempt Trades shall not be subject to sections 25 or 53 of the Act provided that:

- (i) WTH shall provide, or cause to be provided, to each recipient or proposed recipient of Exchangeable Shares, Class A Shares, Class B Shares, Class C Shares or WTH Shares resident in Ontario, an explanation of the limitations imposed upon the disposition of such securities; and
- (ii) the first trade in any securities acquired pursuant to this ruling (or upon exchange, retraction or redemption of the Exchangeable Shares) shall be a distribution under the Act unless:
 - (a) such trade is made in compliance with subsection 72(5) of the Act and Section 2.18(3) of Ontario Securities Commission Rule 45-501 – *Exempt Distributions* as if the securities had been issued pursuant

to one of the exemptions referenced in section 72(5) of the Act; or

- (b) with respect to the WTH Shares, such trade is made in accordance with Ontario Securities Commission Rule 72-501 - *Prospectus Exemptions for First Trade Over a Market Outside Ontario* ("Rule 72-501") as if the security were a Restricted Security as defined in Rule 72-501.

February 23rd, 2001.

"J. A. Geller"

"Theresa McLeod"

2.3.2 Capital Gains Income Streams Corp. - s. 74(1)

Headnote

Subsection 74(1) - Issuer exempt from sections 25 and 53 of the Act in connection with the writing of over-the-counter covered call options, subject to certain conditions.

Subsection 59(2), Schedule 1 - Issuer exempt from the fees prescribed by subsection 28(2) of Schedule 1 of the Regulation in connection with the writing of over-the-counter covered call options.

Statutes Cited

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

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 28(2) and 59(1) of Schedule 1.

**IN THE MATTER OF
THE SECURITIES ACT (the "Act")**

AND

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

AND

**IN THE MATTER OF
CAPITAL GAINS INCOME STREAMS CORPORATION**

RULING AND EXEMPTION

UPON the application of Capital Gains Income STREAMS Corporation (the "Company") to the Ontario Securities Commission (the "Commission") for

- (i) a ruling, pursuant to subsection 74(1) of the Act, that the writing of certain over-the-counter covered call options (the "OTC Covered Call Options") by the Company is not subject to section 25 or section 53 of the Act, and
- (ii) an exemption, pursuant to subsection 59(1) of Schedule 1 to the Regulation ("Schedule 1"), from the requirement to pay the fees required by subsection 28(2) of Schedule 1 in respect of any OTC Covered Call Option written by the Company pursuant to this ruling;

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

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

1. The Company is a mutual fund corporation incorporated under the laws of Ontario. Quadravest Inc. is the Company's "manager", as such term is defined in subsection 1.1 of National Instrument 81-102 ("NI 81-102")
2. The Company is a "mutual fund", as such term is defined in subsection 1(1) of the Act.
3. In connection with the Company's public offering (the "Offering") of equity dividend shares (the "Equity Dividend Shares") and capital yield shares (the "Capital Yield Shares"), the Company filed a preliminary prospectus dated January 12, 2001 (the "Preliminary Prospectus") with the Commission and with the securities regulatory authority in each of the other provinces of Canada under SEDAR Project No. 325272.
4. Quadravest Capital Management Inc. ("Quadravest") will act as the Company's "portfolio adviser", as such term is defined in subsection 1.1 of NI 81-102. Quadravest is registered under the Act as an adviser in the categories of "investment counsel" and "portfolio manager", and as a dealer in the category of "mutual fund dealer".
5. The Company's investment objectives with respect to the Equity Dividend Shares are:
 - a. to provide the holders thereof with fixed, cumulative monthly cash dividends of a specified amount per share targeted to yield a specified percentage per annum, as will be disclosed in the Company's (final) prospectus (the "Prospectus"), and to pay such dividends as capital gains dividends, and
 - b. to pay such holders, on or about December 1, 2013 (the "Termination Date"), \$15.00 for each Equity Dividend Share held on the Termination Date.
6. The Company's investment objectives with respect to the Capital Yield Shares are:
 - a. to provide the holders thereof with
 - i. regular monthly cash dividends targeted to yield a specified percentage per annum, as will be disclosed in the Prospectus, and to pay such dividends as capital gains dividends, and
 - ii. a special cash dividend on the last day of November in each year equal to an amount calculated in the manner described in the Preliminary Prospectus and will be described in the Prospectus and, to the extent possible, to pay such dividends as capital gains dividends,
 - b. to pay such holders, on or about the Termination Date, \$25.00 for each Capital Yield Share held on the Termination Date, and

- c. to pay such holders, on or about the Termination Date, a pro-rata share of the balance, if any, of the Managed Portfolio (as defined in paragraph 8 below) after paying the holders of Equity Dividend Shares \$15.00 per share.
7. The Company will use a specified percentage, as will be disclosed in the Prospectus, of the gross proceeds of the Offering to acquire certain equity securities (the "Capital Repayment Portfolio"). To achieve its capital repayment objective, the Company will enter into a forward sale and purchase agreement pursuant to which the Counterparty will agree to pay to the Company, on the Termination Date, \$25.00 for each Capital Yield Share outstanding on the Termination Date, in exchange for the delivery to the Counterparty of the securities held in the Capital Repayment Portfolio.
8. To achieve its dividend and capital appreciation objectives, the Company will use the proceeds of the Offering, net of expenses and the amount used to acquire the Capital Repayment Portfolio, to invest in a diversified portfolio (the "Managed Portfolio") of securities consisting principally of common shares issued by corporations included in the S&P/TSE 60 Index or the Standard & Poor's 500 Composite Stock Price Index (the "S&P Index"). Quadravest will actively manage the Managed Portfolio.
9. From time to time, the Company will write covered call options in respect of all or part of the securities held in the Managed Portfolio. Such call options may either be exchange-traded options or over-the-counter options ("OTC Options").
10. The writing of covered call options by the Company will be managed by Quadravest in a manner consistent with the investment objectives of the Company. The individual securities in the Managed Portfolio that are subject to call options, and the terms of such call options, will vary from time to time based on Quadravest's assessment of the markets.
11. One of the restrictions on the Company's investment activities, as disclosed in the Preliminary Prospectus and will be disclosed in the Prospectus, prohibits the Company from selling securities held in the Managed Portfolio that are subject to an outstanding call option.
12. OTC Covered Call Options will be written by the Company only in respect of securities held in the Managed Portfolio. At no time will the Company write OTC Options for the purpose or as a means of raising new capital.
13. The purchasers of OTC Covered Call Options written by the Company will generally be the major Canadian financial institutions described in Appendix "A" attached to this ruling and exemption.

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

IT IS RULED, pursuant to subsection 74(1) of the Act, that the writing of OTC Covered Call Options by the Company, as contemplated by this Ruling, is not subject to sections 25 and 53 of the Act provided that,

- (a) the portfolio adviser advising the Company with respect to such activity is registered as an adviser under the Act, and meets the proficiency requirements in Ontario for advising with respect to options,
- (b) each purchaser of an OTC Covered Call Option written by the Company is a person or company described in Appendix "A" to this ruling and exemption, and
- (c) a receipt for the Prospectus of the Company is or has been issued by the Director under the Act;

AND PURSUANT to section 59 of Schedule 1, the Company is hereby exempted from the fees that would otherwise be payable pursuant to subsection 28(2) of Schedule 1, in connection with the OTC Covered Call Options written by the Company in reliance upon the above ruling.

February 23, 2001.

"J.A. Geller"

"Theresa McLeod"

APPENDIX "A"

QUALIFIED PARTIES

Interpretation

- (1) The terms "subsidiary" and "holding body corporate" used in paragraphs (w), (x) and (y) of subsection (3) of this Appendix have the same meaning as they have in the Business Corporations Act (Ontario).
- (2) All requirements contained in this Appendix that are based on the amounts shown on the balance sheet of an entity apply to the consolidated balance sheet of the entity.

Qualified Parties Acting as Principal

- (3) The following are qualified parties for all OTC derivatives transactions, if acting as principal:

Banks

- (a) a bank listed in Schedule I, II or III to the Bank Act (Canada);
- (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada);
- (c) a bank subject to the regulatory regime of a country that is a member of the Basel Accord, or that has adopted the banking and supervisory rules set out in the Basel Accord, if the bank has a minimum paid up capital and surplus, as

shown on its last audited balance sheet, in excess of \$25 million or its equivalent in another currency;

\$5 million, or its equivalent in another currency, excluding the value of his or her principal residence;

Credit Unions and Caisses Populaires

- (d) a credit union central, federation of caisses populaires, credit union or regional caisse populaire, located, in each case, in Canada;

Loan and Trust Companies

- (e) a loan corporation or trust corporation registered under the Loan and Trust Corporations Act or under the Trust and Loan Companies Act (Canada), or under comparable legislation in any other province or territory of Canada;
- (f) a loan company or trust company subject to the regulatory regime of a country that is a member of the Basel Accord, or that has adopted the banking and supervisory rules set out in the Basel Accord, if the loan company or trust company has a minimum paid up capital and surplus, as shown on its last audited balance sheet, in excess of \$25 million or its equivalent in another currency;

Insurance Companies

- (g) an insurance company licensed to do business in Canada or a province or territory of Canada;
- (h) an insurance company subject to the regulatory regime of a country that is a member of the Basel Accord, or that has adopted the banking and supervisory rules set out in the Basel Accord, if the insurance company has a minimum paid up capital and surplus, as shown on its last audited balance sheet, in excess of \$25 million or its equivalent in another currency;

Sophisticated Entities

- (i) a person or company that, together with its affiliates, (i) has entered into one or more transactions involving OTC derivatives with counterparties that are not its affiliates, if (A) the transactions had a total gross dollar value of or equivalent to at least \$1 billion in notional principal amount; and (B) any of the contracts relating to one of these transactions was outstanding on any day during the previous 15-month period, or (ii) had total gross marked-to-market positions of or equivalent to at least \$100 million aggregated across counterparties, with counterparties that are not its affiliates in one or more transactions involving OTC derivatives on any day during the previous 15-month period;

Individuals

- (j) an individual who, either alone or jointly with the individual's spouse, has a net worth of at least

Governments/Agencies

- (k) Her Majesty in right of Canada or any province or territory of Canada and each crown corporation, instrumentality and agency of a Canadian federal, provincial or territorial government;
- (l) a national government of a country that is a member of the Basel Accord, or that has adopted the banking and supervisory rules of the Basel Accord, and each instrumentality and agency of that government or corporation wholly-owned by that government;

Municipalities

- (m) any Canadian municipality with a population in excess of 50,000 and any Canadian provincial or territorial capital city;

Corporations and other Entities

- (n) a company, partnership, unincorporated association or organization or trust, other than an entity referred to in paragraph (a), (b), (c), (d), (e), (f), (g) or (h), with total revenue or assets in excess of \$25 million or its equivalent in another currency, as shown on its last financial statement, to be audited only if otherwise required;

Pension Plan or Fund

- (o) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a provincial pension commission, if the pension fund has total net assets, as shown on its last audited balance sheet, in excess of \$25 million, provided that, in determining net assets, the liability of a fund for future pension payments shall not be included;

Mutual Funds and Investment Funds

- (p) a mutual fund or non-redeemable investment fund if each investor in the fund is a qualified party;
- (q) a mutual fund that distributes its securities in Ontario, if the portfolio manager of the fund is registered as an adviser, other than a securities adviser, under the Act or securities legislation elsewhere in Canada;
- (r) a non-redeemable investment fund that distributes its securities in Ontario, if the portfolio manager of the fund is registered as an adviser,

other than a securities adviser, under the Act or securities legislation elsewhere in Canada;

Brokers/Investment Dealers

- (s) a person or company registered under the Act or securities legislation elsewhere in Canada as a broker or an investment dealer or both;
- (t) a person or company registered under the Act as an international dealer if the person or company has total assets, as shown on its last audited balance sheet, in excess of \$25 million or its equivalent in another currency;

Futures Commission Merchants

- (u) a person or company registered under the *Commodity Futures Act* (Ontario) as a dealer in the category of futures commission merchant, or in an equivalent capacity elsewhere in Canada;

Charities

- (v) a registered charity under the Income Tax Act (Canada) with assets not used directly in charitable activities or administration, as shown on its last audited balance sheet, of at least \$5 million or its equivalent in another currency;

Affiliates

- (w) a wholly-owned subsidiary of any of the organizations described in paragraph (a), (b), (c), (d), (e), (f), (g), (h), (j), (n), (o), (s), (t) or (u);
- (x) a holding body corporate of which any of the organizations described in paragraph (w) is a wholly-owned subsidiary;
- (y) a wholly-owned subsidiary of a holding body corporate described in paragraph (x);
- (z) a firm, partnership, joint venture or other form of unincorporated association in which one or more of the organizations described in paragraph (w), (x) or (y) have a direct or indirect controlling interest; and

Guaranteed Party

- (aa) a party whose obligations in respect of the OTC derivatives transaction for which the determination is made is fully guaranteed by another qualified party.

Qualified Party Not Acting as Principal

- (4) The following are qualified parties, in respect of all OTC derivative transactions:

Managed Accounts

1. Accounts of a person, company, pension fund or pooled fund trust that are fully managed by a

portfolio manager or financial intermediary referred to in paragraphs (3)(a), (d), (e), (g), (s), (t), (u) or (w) above, or a broker or investment dealer acting as a trustee or agent for the person, company, pension fund or pooled fund trust under section 148 of the Regulation.

Subsequent Failure to Qualify

- (5) A party is a qualified party for the purpose of any OTC derivatives transaction if it, he or she is a qualified party at the time it, he or she enters into the transaction.

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Reasons

3.1.1 YBM Magnex International Inc. et al.

ONTARIO SECURITIES COMMISSION
IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990, c.S.5, as amended

AND

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)

REASONS FOR DECISION OF THE ONTARIO SECURITIES COMMISSION

MOTION DATE: January 26, 2001

BEFORE: Howard I. Wetston, Q.C. - Vice-Chair
Derek Brown - Commissioner
Robert W. Davis, FCA - Commissioner

COUNSEL: Michael Code - For the Staff of the Ontario Securities Commission
Kathryn Daniels - For the Staff of the Ontario Securities Commission
John Keefe - For the Applicant

CONCURRING DECISION

I have read the decision of Vice-Chair Wetston and Commissioner Brown dated February 6, 2001 and concur with the reasons set forth.

February 15, 2001

"Robert W. Davis, FCA"

ONTARIO SECURITIES COMMISSION
IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990, c.S.5, as amended

AND

YBM MAGNEX INTERNATIONAL INC.
HARRY W. ANTES
JACOB G. BOGATIN
KENNETH E. DAVIES
IGOR FISHERMAN
DANIEL E. GATTI
FRANK S. GREENWALD
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Robert W. Davis, FCA - Commissioner

COUNSEL: Michael Code - For the Staff of the Ontario Securities Commission

Kathryn Daniels - For the Staff of the Ontario
Securities Commission

John Keefe - For the Applicant

I. NATURE OF THE MOTION

These are the reasons for an order issued by the Ontario Securities Commission (the "Commission") on January 31, 2001 dismissing a motion filed by the Applicant, Griffiths McBurney & Partners ("GMP").

On January 2, 2001, GMP filed a Notice of Motion with the Commission requesting an order permanently staying the proceeding commenced by Notice of Hearing on November 1, 1999 as against GMP or, in the alternative, an order permitting GMP to conduct pre-hearing oral examinations and to obtain documentary discovery of eight named witnesses.

The motion raises the following issues for consideration:

- (i) Does a Section 11 investigation which uses Section 13 powers have to be completed prior to a Section 127 Notice of Hearing being issued; and
- (ii) Does an ongoing investigation, which continues after the issuance of a notice of hearing and

makes use of compulsory powers of process, need to be conducted on an *inter partes* basis with notice to and equal participation by the Applicants.

II. FACTS

1. On December 5, 1997, the Commission issued an order under Section 11 of the *Securities Act* R.S.O. 1990, C. S.5, as amended (the "*Act*"), authorizing staff of the Commission ("Staff") to investigate certain matters concerning the Applicant GMP.
2. Pursuant to the Section 11 order (the "Order"), Staff examined a number of witnesses and made several requests for the production of documents.
3. By Notice of Hearing dated November 1, 1999, the Commission gave notice to the Applicant GMP, that pursuant to Section 127 of the *Securities Act* a hearing would commence on, or soon after, November 29, 1999 to consider, *inter alia*, whether in the opinion of the Commission it is in the public interest to make an order

- pursuant to Subsection 127(1) Clauses 1 and 4 of the *Securities Act* respecting GMP.
4. Without notice to the Applicant, Staff obtained a new Section 11 order (the "New Order") dated February 18, 2000 in respect of the matter. The New Order did two things: firstly, it broadened the terms of the old Order; and, secondly, it granted two additional Staff members the authority to carry out the Section 11 inquiry.
 5. Pursuant to the New Order, Staff conducted several more examinations of which the Applicant did not receive notice. One of the witnesses examined was an ex-employee of the Applicant, Mr. Michael Middleton.
 6. Mr. Middleton was examined by Staff pursuant to the New Order on April 19, 2000 and was represented by his own counsel, Mr. Todd White.
 7. Counsel for GMP learned of the ongoing investigation of Mr. Middleton and others under the New Order through the process of ongoing disclosure. On June 23, 2000, counsel wrote Staff objecting to the examination of Mr. Middleton without prior notice to counsel for GMP and characterised Staff's conduct as constituting an abuse of process.

III. ANALYSIS

There is no dispute that a Commission hearing commenced by way of Notice of Hearing is governed by the *Statutory Powers Procedures Act*, R.S.O. 1990, Chap. S.22, as amended (the "SPPA"), and the rules of natural justice and procedural fairness.

The Applicant contends that the governing provisions applicable to Commission proceedings as contained in the *Act* and the *SPPA* should be interpreted so as to conform to the principles of natural justice. The Applicant's view is that, upon such a construction and absent clear and explicit language to the contrary, the *SPPA* incorporates the principles of natural justice into, and prevails over, the investigative powers available to the Commission under Part VI of the *Act*. Under such an interpretation, both GMP and Staff would have an equal opportunity to be present and examine witnesses during the continuation of the investigation. As a result, the Applicant claims that upon the issuance of a Notice of Hearing the Commission's one-sided right to conduct Section 13 examinations of witnesses without notice to the Applicants is inconsistent with the *SPPA* and the rules of natural justice.

We are guided in our approach to the interpretation of the *SPPA* and the *Act* by the decision in *Re Rizzo & Rizzo Shoes Ltd.*, [1998] 154 D.L.R. (4th) 193 at 204 (S.C.C.), where Mr. Justice Iacobucci stated that:

"Elmer Driedger in *Construction of Statutes* (2nd ed. 1983) best encapsulates the approach upon which I prefer to rely. He recognizes that statutory interpretation cannot be founded on the wording of the legislation alone. At p. 87 he states:

Today there is only one principle or approach, namely, the words of an Act are to be read in their entire context and in their grammatic and

ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament."

Part VI of the *Securities Act* deals with "Investigations and Examinations". Part XXII of the *Act* is entitled "Enforcement". The Legislature has not provided that an investigation must end once a Part XXII proceeding commences. It could have done so but did not as is evident from an examination of Subsection 17(6) which expressly addresses the interplay between a Part VI investigation and a Part XXII proceeding.

Moreover, a plain reading of the relevant provisions of the *Act* also reveals the absence of temporal limits on Section 11 investigations. Section 11 authorizes the Commission to appoint one or more persons to conduct an investigation provided the Commission considers it expedient in the administration of the law. The absence of temporal limits in Section 11 is in complete contrast to the limits placed on search warrants exercised by the Commission in Section 13 of the *Act*. Whereas Subsection 13(4) authorizes the Commission to apply for an authorization to search, Subsection 13(7) limits the power of such an order to not later than 15 days after the order is granted. If the Legislature intended temporal limits to apply to Section 11 it would have explicitly provided for them as it did in Section 13.

Furthermore, Section 3 of the *SPPA* provides that:

- (1) "Subject to subsection (2), this Act applies to a proceeding by a tribunal in the exercise of a statutory power of decision conferred by or under an Act of the Legislature, where the tribunal is required by or under such Act or otherwise by law to hold or to afford to the parties to the proceeding an opportunity for a hearing before making a decision.
- (2) This Act does not apply to a proceeding,
 - (g) of one or more persons required to make an investigation and to make a report, with or without recommendations, where the report is for the information or advice of the person to whom it is made and does not in any way legally bind or limit that person in any decision he or she may have power to make; or

These provisions clearly indicate that the procedural safeguards contained in the *SPPA* relate to the conduct of hearings and not to the conduct of investigations. Moreover, this conclusion is also supported by reference to Section 127(4) of the *Act*.

"No order shall be made under this section without a hearing, subject to section 4 of the *Statutory Powers Procedures Act*."

It is evident from the above reasons that we agree entirely with the decision of this Commission in *A&B*, unreported April 14, 2000 where it was stated that:

"We see nothing in Part VI which would prevent Staff from continuing, or indeed commencing, proceedings

under an order made under subsection 11(1) of the Act following the issuance of a notice of hearing in a matter. It seems to us that there is nothing inappropriate in, and to us Part VI contemplates, an investigation under subsection 11(1) continuing until the completion of the hearing of the matter.

In our view, the SPPA and the Commission's Rules of Practice deal with the hearing phase of the overall proceedings, and not with the investigative phase, and we see no reason, either in Part VI or in fairness, that the two cannot proceed at the same time."

We disagree with the Applicant's contention that the Commission erred in its decision in *A&B*. The Section 13 summons was not issued to Mr. Middleton as a corporate officer produced for discovery but rather as a corporate witness being compelled to testify as to his personal knowledge about the facts in issue.

In conclusion, we are of the opinion that the Applicant's interpretation of the *Securities Act*, read in light of the *SPPA*, is incompatible with the object of the legislative enactment.

Basically, the second issue advanced by the Applicant suggests that the principles of natural justice, in conjunction with the *SPPA*, require that the Section 13 investigation be conducted on an *inter partes* basis with equal participation by the Applicant.

Staff must act fairly in the conduct of an investigation, but this does not mean that the investigation under Part VI should provide for equality of participation in the fact finding process; *B.C.S.C. v. Branch et al.* (1995), 123 D.L.R. (4th) 462 at 493 (S.C.C.).

We agree with staff counsel that "procedural rights and investigative powers are not symmetrical as between public authorities and private defendants."

The jurisprudence of the Supreme Court of Canada makes it clear that the requirements of natural justice and the common law duty of procedural fairness are flexible concepts that depend on the circumstances of the case, the nature of the investigation being made, the subject matter being dealt with and the statutory provisions under which the Commission is acting; *A.G. of Canada v. Inuit Tapiristat of Canada*, [1980] 2 S.C.R. 735; *Old St. Bonafice Residents Ass. v. Winnipeg City*, [1990] 3 S.C.R. 1170; *Knight v. Indian Head School Div.*, [1990] 1 S.C.R. 653.

It is clear that natural justice must be considered in its statutory context. We have already considered that context in these reasons. The extent of participation in the investigative process by the Applicant must be weighed against the prejudice to the scheme of the legislation. In this regard we also appreciate the gravity of the allegations and the potential consequences to GMP.

Fairness is a matter of primary importance, however, Part VI investigative powers must be exercised *ex parte* in order to be effective. There can be no doubt that the rules of natural justice or procedural fairness entitle GMP to a fair hearing under Section 127 of the *Act*. The duty to provide adequate and timely disclosure is one of the elements of the Commission's duty to act fairly or in accord with the principles of natural justice. In this sense, the Applicants know the case

they must meet, they have the right to answer that case and the right to put in their own case. Staff have submitted that, with the exception of two witnesses, full disclosure of the Section 11 examinations has been made. The exceptions are at this time "beyond their control" but will be disclosed when permitted to do so.

In conclusion, we cannot accept the Applicant's submissions that the investigative procedures under Part VI are unfair given the statutory framework and the nature of the respective roles as between Staff and private parties in the context of investigations under the *Securities Act*.

The Applicant requests a stay of these proceedings on the basis of an abuse of process. The Applicant has not met the burden of demonstrating such an abuse. Alternatively, the Applicant asks for the oral pre-hearing examination of witnesses. For the reasons given above, the Commission also sees no basis for this request.

Accordingly, the motion was dismissed.

February 6, 2001.

"Howard I. Wetston, Q.C."

"Derek Brown"

Chapter 4

Cease Trading Orders

4.1.1 Temporary and Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
Telescene Film Group Inc.	07 Feb 01	-	21 Feb 01	-

4.1.2 Cease Trading Orders

Company Name	Date of Lapse/Expire
Cabot Creek Mineral Corporation	23 Feb 01
Firstlane Inc.	23 Feb 01

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Chapter 5

Rules and Policies

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IN THIS ISSUE

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Chapter 6

Request for Comments

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

Exempt Financings

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

Reports of Trades Submitted on Form 45-501f1

<u>Trans. Date</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
09Feb01	Alstom - American Depository Shares	291,321	8,000
02Feb01	Arrow Capital Advance Fund - Class A Trust Units	150,000	16,163
22Jan01	Burgundy Smaller Companies Fund -	381,416	20,775
31Jan01	Caprion Pharmaceuticals Inc. - Class A Series I Preferred Shares	310,222	5,900
14Feb01	Cybersight Acquisition Co., Inc. - Shares of Common Stock	150,000	75,000
14Feb01	Cybersight Acquisition Co., Inc. - Shares of Common Stock	1,000,000	500,000
14Feb01	Cybersight Acquisition Co., Inc. - Shares of Common Stock	150,000	75,000
14Feb01	Cybersight Acquisition Co., Inc. - Shares of Common Stock	150,000	75,000
14Feb01	Cybersight Acquisition Co., Inc. - Shares of Common Stock	150,000	75,000
13Feb01	Equatorial Energy Inc. - Special Warrants	3,983,200	1,532,000
31Jan01	Equity International Investment Trust - Units	1,650,005	984
05Feb01	# Exact Sciences Corporation - Shares	US\$5,530,000	395,000
31Jan01	Excalibur Harvest Canadian Fund - Units	992,806	102,150
31Dec00	Excalibur Harvest Canadian Fund - Units	1,900,000	188,264
09Feb01	# Exodus Communications, Inc. - Common Stock	US\$185,000	10,000
31Jan01	Fleming Canada Offshore Select Trust - Units	450,005	1,767
09Feb01	General Minerals Corporation - Common Shares	4,200,000	15,000,000
09Feb01	InfoCast Corporation - Units	US\$200,000	400,000
31Jan01	Learnco International Inc. - Special Warrants	895,099	4,068,636
08Dec00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units	79,815	662
05Jan01	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	64,058	575
29Dec00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units	171,093	1,333
27Dec00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units	189,625	1,626
21Dec00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund - Units	117,060	1,009

Notice of Exempt Financings

<u>Trans. Date</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
28Dec00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell Global Equity Fund, Russell U.S. Equity Fund, Russell Overseas Equity Fund - Units	174,511	1,423
19Dec00	Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Income Fund, Russell Canadian Equity Fund, Russell Global Equity Fund, Russell U.S. Equity Fund - Units	8,564	69
05Jan01	Lifepoints Opportunity Fund - Units	153,085	1,373
28Dec00	Lifepoints Opportunity Fund - Units	559	4
08Dec00	Lifepoints Opportunity Fund - Units	29,843	249
20Dec00	Lifepoints Progress Fund, Lifepoints Achievement Fund, Lifepoints Opportunity Fund - Units	27,830	262
03Jan01	Lifepoints Progress Fund, Lifepoints Opportunity Fund - Units	5,776	53
07Feb01	Luxell Technologies Inc. - Special Warrants	800,030	228,580
25Jan01	Metrophotonics Inc. -	1,056,250	162,500
22Jan01	Navitrak International Corporation - Special Warrants	1,550,000	6,200,000
07Feb01	Rogers Communications Inc. - Class B Non-Voting Shares	151,800,000	4,170,330
01Feb011	RTO Enterprises Inc. - Subordinated Debenture	2,906,107	2,906,107
01Feb01	RTO Enterprises Inc. - Subordinated Debenture	1,100,000	1,100,000
22Dec00	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	165,596	1,397
27Dec00	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	178,656	1,563
15Dec00	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	99,813	862
18Dec00	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	169,785	1,510
21Dec00	Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	54,225	480
10Jan01	Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund - Units	11,199	100
11Jan01	Russell Canadian Fixed Income Fund, Russell US Equity Fund - Units	5,045	42
01Dec00	Russell Canadian Fixed Income Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	84,892	793
29Dec00	Russell Overseas Equity Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund - Units	59,102	529
09Jan01	Russell Overseas Equity Fund - Units	2,145	18
08Jan01	Russell Overseas Equity Fund - Units	2,952	24
10Jan01	Russell Overseas Equity Fund, Russell US Equity Fund, Lifepoints Progress Fund, Lifepoints Opportunity Fund - Units	9,415	80
02Dec00	Russell Overseas Equity Fund - Units	10,000,000	77,322
08Dec00	Russell Overseas Equity Fund - Units	2,266	17
14Dec00	Russell U.S. Equity Fund - Units	22,500,000	158,789
04Jan01	Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Growth Fund - Units	122,538	1,142
08Dec00	Russell US Equity Fund, Russell Overseas Equity Fund, Lifepoints Balanced Long Term Growth Fund, Lifepoints Balanced Growth Fund, Lifepoints Balanced Income Fund - Units	46,281	404
08Feb01	Southern Natural Gas - 7.35% Notes due February 15 th , 2031	5,283,370	5,283,370
31Jan01	StartingStartups LP - Limited Partner Units	750,004	323,445

Notice of Exempt Financings

<u>Trans. Date</u>	<u>Security</u>	<u>Price (\$)</u>	<u>Amount</u>
06Feb01	Tarian Software Inc. - Class A Preferred Shares	726,000	484,000
	Wired Merchant.com Inc. - Units	97,500	130,000
31Jan01	YMG Institutional Fixed Income Fund - Units	1,500,000	151,444
31Jan01	YMG Institutional Fixed Income Fund - Units	200,000	20,192
31Jan01	YMG Institutional Fixed Income Fund - Units	90,000	9,086
31Jan01	Zenastra Photonics Inc. - Convertible Preferred Shares	161,730	24,000
31Jan01	Zenastra Photonics Inc. -	US\$180,000	40,000
31Jan01	Zenastra Photonics Inc. -	US\$94,500	21,000
31Jan01	Zenastra Photonics Inc. - Convertible Preferred Shares	269,550	40,000

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

<u>Seller</u>	<u>Security</u>	<u>Amount</u>
Domino Capital Group Ltd.	Advantexcel.com Communications Corp. - Common Shares	1,325,000
EuroGas Inc.	Big Horn Resources Ltd. - Common Shares	8,000,000
La Corporation Sigoma Ltee, F.D.L. et Associés Ltd., Communipro Ltee, Communigestart inc., Concertmedia inc., Gestion Drab inc. Lauren Communications Ltd.	Cossette Communications Group Inc. - Subordinate Voting Shares	48,300, 44,400, 22,500, 27,600, 25,100, 18,600, 26,500 Resp.
Golden Rule Resources Ltd.	Hixon Gold Resources Ltd. - Common Shares	5,300,000
Black, Conrad M.	Hollinger Inc. - Series II Preference Shares	1,611,039
MTW Solutions Online Inc.	iFuture.com Inc. - Common Shares	2,000,000
Gastle, Susan M. S.	Microbix Biosystems Inc. - Common Shares	275,000
Gastle, William J.	Microbix Biosystems Inc. - Common Shares	495,000
Malion, Andrew J.	Spectra Inc. - Common Shares	250,000
Faye, Michael R.	Spectra Inc. - Common Shares	250,000
Hawkins, Stanley G.	Tandem Resources Ltd. - Common Shares	2,000,000

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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:

CPL Long Term Care Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated February 23rd, 2001
Mutual Reliance Review System Receipt dated February 23rd, 2001

Offering Price and Description:

\$30,580,000 - 2,200,000 Units at \$13.90 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Trilon Securities Corporation

Promoter(s):

-

Project #334317

Issuer Name:

Domtar Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Shelf Prospectus dated February 21st, 2001
Mutual Reliance Review System Receipt dated February 22nd, 2001

Offering Price and Description:

\$250,000,000 - Medium Term Notes (Senior Unsecured)

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #333846

Issuer Name:

Emera Incorporated
Principal Regulator - Nova Scotia

Type and Date:

Preliminary Short Form Prospectus dated February 21st, 2001
Mutual Reliance Review System Receipt dated February 23rd, 2001

Offering Price and Description:

\$144,900,000 - 9,000,000 Common Shares with Option for additional 1,350,000 Common Shares (\$21,735,000)

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #334053

Issuer Name:

Enbridge Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Shelf Prospectus dated February 27th, 2001
Mutual Reliance Review System Receipt dated February 27th, 2001

Offering Price and Description:

\$1,250,000,000 - Medium Term Notes (Unsecured)

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #335078

Issuer Name:

Northland Systems Training Inc.
Principal Regulator - Ontario

Type and Date:

Amended Preliminary Prospectus dated February 20th, 2001
Mutual Reliance Review System Receipt dated February 22nd, 2001

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #322653

Issuer Name:

Pheromone Sciences Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated February 26th, 2001
Mutual Reliance Review System Receipt dated February 26th, 2001

Offering Price and Description:
\$2,000,000 - 2,000,000 Units (each consisting of one Common Shares and one-half of one Common Share Purchase Warrant)
Underwriter(s) or Distributor(s):

Promoter(s):

Project #334621

Issuer Name:

True Energy Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated February 22nd, 2001
Mutual Reliance Review System Receipt dated February 22nd, 2001

Offering Price and Description:

4,166,667 Common Shares Issuable upon the exercise of Special Warrants

Underwriter(s) or Distributor(s):

FirstEnergy Capital Corp.
Peters & Co. Limited

Promoter(s):

John H. Cuthbertson
W.C. (Mickey) Dunn
Project #334204

Issuer Name:

Imperial Canadian Bond Pool
Imperial Canadian Equity Pool
Imperial U.s. Equity Pool
Imperial Registered International Equity Index Pool
Imperial International Equity Pool
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated February 15th, 2001 to Simplified Prospectus and Annual Information Form dated July 6th, 2000.
Mutual Reliance Review System Receipt dated 26th day of February, 2001

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

CIBC Securities Inc.

Promoter(s):

N/A

Project #269256

Issuer Name:

Anthony Clark International Insurance Brokers Ltd.
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated February 20th, 2001
Mutual Reliance Review System Receipt dated 21st day of February, 2001

Offering Price and Description:

\$3,364,140.00 - 590,200 Units to be issued upon the exercise of 590,200 Special Warrants

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

Roche Securities Limited

Promoter(s):

Primo Podorisezach
Tony Consalvo

Project #301723

Issuer Name:

Capital Gains Income STREAMS Corporation
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 23rd, 2001
Mutual Reliance Review System Receipt dated 23rd day of February, 2001

Offering Price and Description:

Underwriter(s) or Distributor(s):

Merrill Lynch Canada Inc
TD Securities Inc.
BMO Nesbitt Burns Inc.
BayStreetDirect Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Bieber Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Goepel Mcdermid Inc.
Yorkton Securities Inc.

Promoter(s):

Quadravest Capital Management Inc.
Project #325272

Issuer Name:

ELDORADO GOLD CORPORATION
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated February 20th, 2001
Mutual Reliance Review System Receipt dated 21st day of February, 2001

Offering Price and Description:

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

Loewen, Ondaatje, McCutcheon Limited
Haywood Securities Inc.
National Bank Financial Inc.

Promoter(s):

N/A

Project #322629

Issuer Name:

GDI Global Data Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 20th, 2001
Mutual Reliance Review System Receipt dated 22nd day of February, 2001

Offering Price and Description:

Underwriter(s) or Distributor(s):

Paradigm Capital Inc.
Loewen, Ondaatje McCutcheon Limited

Promoter(s):

Project #326824

Issuer Name:

360networks inc.

Type and Date:

Final Short Form Shelf Prospectus dated February 26th, 2001
Mutual Reliance Review System Receipt dated 27th day of
February, 2001

Offering Price and Description:

Underwriter(s) or Distributor(s):

Promoter(s):

Project #329563

Issuer Name:

ACS Freezers Income Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 27th, 2001
Mutual Reliance Review System Receipt dated 27th day of
February, 2001

Offering Price and Description:

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns
Scotia Capital Inc.
TD Securities Inc.
RBC Dominion Securities Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Thomson Kernaghan & Co. Limited

Promoter(s):

Project #333130

Issuer Name:

Canadian Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 28th, 2001
Mutual Reliance Review System Receipt dated 28th day of
February, 2001

Offering Price and Description:

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
Raymond James Ltd.

Promoter(s):

Project #332058

Issuer Name:

Hemosol Inc.
Principal Regulator - Ontario

Type and Date:

Final Base PREP Short Form Prospectus dated February 28th,
2001
Mutual Reliance Review System Receipt dated 28th day of
February, 2001

Offering Price and Description:

Underwriter(s) or Distributor(s):

UBS Bunting Warburg Inc.

Promoter(s):

Project #326099

Issuer Name:

Teknion Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 26th, 2001
Mutual Reliance Review System Receipt dated February 26th,
2001

Offering Price and Description:

Underwriter(s) or Distributor(s):

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

Promoter(s):

Project #332867

Issuer Name:

The Thomson Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Shelf Prospectus dated February 27th, 2001
Mutual Reliance Review System Receipt dated 28th day of
February, 2001

Offering Price and Description:

Underwriter(s) or Distributor(s):

Promoter(s):

Project #331815

Issuer Name:

BMO Nesbitt Burns Bond Fund
BMO Nesbitt Burns U.S. Stock Selection Fund
BMO Nesbitt Burns RRSP Stock Selection Fund
BMO Nesbitt Burns Canadian Stock Selection Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form
dated February 22nd, 2001
Mutual Reliance Review System Receipt dated 23rd day of
February, 2001

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

Underwriter(s) or Distributor(s):

Nesbitt Burns Inc.

Promoter(s):

Project #325596

Issuer Name:

**Multiple Opportunities Fund
Special Opportunities Fund Ltd.**
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus and Annual Information Form
dated February 22nd, 2001
Mutual Reliance Review System Receipt dated 27th day of
February, 2001

Offering Price and Description:

Mutual Fund Securities - Net Asset Value

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

Canaccord Capital Corporation

Promoter(s):

MOF Management Ltd.

Project #319875

Issuer Name:

Ironside Technologies Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated November 16th, 2000
Closed February 26th, 2001

Offering Price and Description:

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

Merrill Lynch Canada Inc.
CIBC World Markets Inc.

Promoter(s):

N/A

Project #312496

Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
Change in Category	Addenda Capital Inc. Attention: Carmand Normand 770 Sherbrooke St. West, Suite 1900 Montreal, QC H3A 1G1	From: Extra Provincial Adviser Investment Counsel & Portfolio Manager To: Extra Provincial Adviser Limited Market Dealer (Conditional) Investment Counsel & Portfolio Manager	Feb 21/01
Change in Category	Burgeonvest Securities Limited Attention: Mario Steve John Frankovich for the ICPM Registration 1 King St. West, Suite 1101 Commerce Place Hamilton ON L8N 3P6	From: Investment Dealer Equities Options Managed Accounts To: Investment Dealer Equities Options Managed Accounts Futures Commission Merchant	Feb 22/01
Change in Category	Chase Securities Inc. Attention: Thomas A. Smee c/o Davies Ward & Beck 1 First Canadian Place Suite 4400, P.O. Box 63 Toronto ON M5X 1B1	From: International Dealer To: International Dealer International Adviser Investment Counsel & Portfolio Manager	Feb 23/01

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SRO Notices and Disciplinary Proceedings

13.1 SRO Notices and Disciplinary Proceedings

13.1.1 TSE Approved Person Disciplined - Robert Bastianon

February 28, 2001
No. 2001-049

APPROVED PERSON DISCIPLINED

Person Disciplined

On February 20, 2001, a Hearing Panel of the Toronto Stock Exchange (the "Exchange") approved an Offer of Settlement made between the Exchange and Robert Bastianon. Mr. Bastianon is an Approved Person who was at all material times employed as a Registered Representative with Dundee Securities Corp., a Participating Organization of the Exchange. Mr. Bastianon is currently employed with Yorkton Securities Inc., also a Participating Organization.

Rules Violated

On December 31, 1998, Mr. Bastianon executed trades for the account of a customer when there was reason to believe that the intended purpose of the trades was to establish an artificial price or a high closing price in a listed security, contrary to section 11.26(1) of the General By-law and Part XIV of the Rulings and Directions of the Board of Governors ("Ruling XIV") (now part of Rule and Policy 4-202 of the Rules and Policies of the Exchange).

Between December 21, 1998 and January 12, 1999, Mr. Bastianon entered orders on the Exchange for or on behalf of Dundee Securities Corp. without having been approved for access to the equities market as an Approved Trader, contrary to section 8.15 of the General By-law (now Rule 4-405 of the Rules).

Penalty Assessed

Pursuant to the terms of the Offer of Settlement, Mr. Bastianon will:

1. pay a fine of \$30,000;
2. serve a one-month suspension from acting in any capacity as an Approved Person with a Participating Organization; and
3. pay \$3,500 towards the cost of the Exchange's investigation.

Summary of Facts

At approximately 3:30 p.m. on December 31, 1998, Mr. Bastianon received instructions from a large institutional client to purchase 1,000 shares of a listed security then being

offered on the Montreal Exchange at \$18.25 and to then wait a few minutes and bid for the security in Toronto for another "couple of hundred" shares at \$18.50. When Mr. Bastianon received his instructions, the market for shares of the listed security on the Exchange was 1,000 shares bid at \$17.75, 100 shares offered at \$18.50 and the last trade was at \$18.00. At 3:28:28 p.m., Mr. Bastianon executed a purchase of 1,000 shares then being offered on the Montreal Exchange at \$18.25. Mr. Bastianon waited until 3:56:20 p.m. to enter a bid to purchase 200 shares on the Exchange at \$18.50. At the time this bid was entered, there was 100 shares offered at \$18.50. This order was filled and became the final trade of the day, setting a closing price of \$18.50.

At approximately 3:51 p.m. on December 31, 1998, Mr. Bastianon received instructions from another trader employed with the same institutional client to purchase 1,000 shares of another listed security at \$5.20 and to then buy 200 shares at \$5.25 close to the end of the day. At the time of receiving his instructions, the market for shares of this listed security was 10,000 shares bid at \$4.95, 1,000 shares offered at \$5.20 and the last trade was at \$5.10. At 3:50:14 p.m. on December 31, 1998, Mr. Bastianon entered an order to buy the 1,000 shares offered at \$5.20. This order changed the quotation to 2,500 shares offered at \$5.25. Mr. Bastianon waited until 3:58:50 p.m. to enter a further purchase order. However, instead of entering a purchase order for 200 shares as instructed, Mr. Bastianon entered an order to buy 100 shares at \$5.25. This order was filled and became the final trade of the day, setting a closing price of \$5.25.

Between December 21, 1998 and January 12, 1998, Mr. Bastianon entered orders on the Exchange without having been approved for access to the equities market as an Approved Trader. Persons who wish to enter orders on the Exchange are primarily responsible for ensuring that they have received all necessary approvals.

Following a review of the findings of the Exchange's investigation, the Exchange has determined that there are no grounds for any disciplinary proceedings against Dundee Securities Corp. in relation to the section 11.26(1) violation.

Participating Organizations who require additional information should direct their questions to Tom Atkinson, Vice-President, Regulation Services at 416-947-4310.

LEONARD PETRILLO
VICE PRESIDENT
GENERAL COUNSEL & SECRETARY

13.1.2 TSE Approved Person Disciplined - Stuart Gordon Smith

February 28, 2001
No. 2001-050

APPROVED PERSON DISCIPLINED

Person Disciplined

On February 20, 2001, a Hearing Panel of the Toronto Stock Exchange (the "Exchange") approved an Offer of Settlement made between the Exchange and Stuart Gordon Smith. Mr. Smith is an Approved Person who was at all material times employed as a Registered Representative with CIBC World Markets Inc., a Participating Organization of the Exchange.

Rule Violated

On October 5, 1999, Mr. Smith failed to move the market in an orderly manner prior to executing a trade that caused a change greater than \$1.00 in the price of a security that was selling below \$20.00, contrary to Ruling XXIII. Ruling XXIII is now Policy 4-201(3) of the Policies of the Exchange.

Penalty Assessed

Pursuant to the terms of the Offer of Settlement, Mr. Smith is required to:

1. pay a fine of \$7,500;
2. pay \$2,000 towards the cost of the Exchange's investigation.

Summary of Facts

On October 5, 1999, at approximately 11:00 a.m., a CIBC World Markets Inc. client placed an order (the "Client Order") to sell 373,500 shares of a listed security. As of 11:00 a.m., the market for shares of the listed security indicated 500 shares bid at \$11.50, 100 shares offered at \$11.75 and the last trade was 100 shares at \$11.80. After locating purchasers for the Client Order, between 12:25:09 p.m. and 12:25:46 p.m., Mr. Smith took out all the existing bids in the listed security (a total of 2,300 shares) in a span of 37 seconds and then executed a cross of 371,200 shares at \$10.00.

Since the listed security was selling at less than \$20.00 and the crossed trade caused a change in price below the prevailing bid of \$11.50 by more than \$1.00, Ruling XXIII required Mr. Smith to obtain Exchange approval prior to moving the market down to \$10.00 to facilitate the crossed trade. If Mr. Smith had contacted the Exchange as required, the Exchange would have allowed approximately 20 minutes for Mr. Smith to move the market prior to executing the crossed trade at \$10.00.

The failure to move the market in a fair and orderly manner did not allow market participants a sufficient amount of time to react to the change in price from \$11.50 to \$10.00.

Following a review of the findings of the Exchange's investigation, the Exchange has determined that there are no

grounds for any disciplinary action against CIBC World Markets Inc.

Participating Organizations who require additional information should direct their questions to Tom Atkinson, Vice-President, Regulation Services at 416-947-4310.

LEONARD PETRILLO
VICE PRESIDENT
GENERAL COUNSEL & SECRETARY

Chapter 25

Other Information

25.1 Consent

25.1.1 First B Shares Inc. - ss. 4(b), OBCA, Reg.

Headnote

Consent given to OBCA corporation to continue under the CBCA.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B16 as am., s. 181.
Securities Act, R.S.O. 1990, c.S.5, as am.

Regulations Cited

Regulation made under the *Business Corporation Act*, R.R.O., Reg. 62, as am by Reg. 290/00, s. 4(b).

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

IN THE MATTER OF
THE REGULATION
MADE UNDER THE BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c.B.16 (THE "OBCA")
O. Reg 290/00 (the "Regulation")

AND

IN THE MATTER OF
FIRST B SHARES INC.

CONSENT
Subsection 4(b)
(OBCA Regulation)

UPON the application (the "Application") of First B Shares Inc. (the "Applicant") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission for the Applicant to continue into another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

AND UPON the Application having represented to the Commission that:

1. The Applicant is proposing to submit an application to the Director under the *Ontario Business Corporations Act* (the "OBCA") for authorization to continue in another jurisdiction pursuant to section 181 of the OBCA (the "Application for Continuance");

2. pursuant to subsection 4(b) of the Regulation; where an applicant corporation is an offering corporation, application for Continuance must be accompanied by a consent from the Commission;
3. the Applicant is an offering corporation under the OBCA and is a reporting issuer under the Securities Act R.S.O. 1990, c.S.5, as amended (the "Act");
4. the Applicant intends to remain a reporting issuer in Ontario;
5. the Applicant is not in default of any of the provisions of the Act or the regulations thereunder;
6. the Applicant is not a party to any proceeding or to the best of its knowledge, information and belief, pending proceeding under the Act;
7. the Applicant's shareholder has duly authorized the continuance of the Applicant as a corporation under the *Canada Business Corporations Act* (the "CBCA");
8. the Continuance has been proposed so that the Applicant may conduct its affairs in accordance with the CBCA.

THE COMMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the *Canada Business Corporations Act*.

February 20, 2001

"John Geller"

"Theresa McLeod"

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