The Ontario Securities Commission

OSC Bulletin

August 24, 2001

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

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

416-593-8314 or Toll Free 1-877-785-1555

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M5C 2N8

416-362-5211 or 1-800-387-2689

Contact Centre - Inquiries, Complaints:	Fax: 593-8122
Capital Markets Branch:	Fax: 593-3651
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Corporate Finance - Filings Team 1:	Fax: 593-8244
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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

August 24, 2001

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

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

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

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Mary Theresa McLeod	—	MTM
H. Lorne Morphy, Q. C.	—	HLM
R. Stephen Paddon, Q.C.	—	RSP

SCHEDULED OSC HEARINGS

Date to be announced	**Mark Bonham and Bonham & Co. Inc.** s. 127 Mr. A.Graburn in attendance for staff. Panel: TBA
July 9 - 12 July 16 -19 July 23-26 July 30 - Aug 2 August 13 -16 August 23, August 27-30 /2001 10:00 a.m.	**YBM Magnex International Inc., Harry W. Antes, Jacob G. Bogatin, Kenneth E. Davies, Igor Fisherman, Daniel E. Gatti, Frank S. Greenwald, R. Owen Mitchell, David R. Peterson, Michael D. Schmidt, Lawrence D. Wilder, Griffiths Mcburney & Partners, National Bank Financial Corp., (formerly known as First Marathon Securities Limited)** s. 127 K. Daniels / M. Code / J. Naster / I. Smith in attendance for staff. Panel: HIW / DB / RWD
August 29/2001 10:00 a.m.	Rampart Securities Inc. ss,127 and 127.1 Staff in attendance TBA Panel: TBA
September 11/2001 10:00 a.m.	**Livent Inc., Garth Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol** s. 127 and 127.1 Ms. Johanna Superina in attendance for staff. Panel: TBA
October 5/2001	**Jack Banks et al.** s. 127 Mr. Tim Moseley in attendance for staff. Panel: PMM

October 24/2001 10:00 a.m.	**Sohan Singh Koonar** s. 127 and 127.1 Ms. Johanna Superina in attendance for staff. Panel: PMM	
December 17/2001 10:00 a.m.	**James Frederick Pincock** ss. 127 Ms. Johanna Superina in attendance for staff. Panel: PMM	

ADJOURNED SINE DIE

Buckingham Securities Corporation, Lloyd Bruce, David Bromberg, Harold Seidel, Rampart Securities Inc., W.D. Latimer Co. Limited, Canaccord Capital Corporation, BMO Nesbitt Burns Inc., Bear, Stearns & Co. Inc., Dundee Securities Corporation, Caldwell Securities Limited and B2B Trust

Michael Bourgon

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

First Federal Capital (Canada) Corporation and Monter Morris Friesner

Ricardo Molinari, Ashley Cooper, Thomas Stevenson, Marshall Sone, Fred Elliott, Elliott Management Inc. and Amber Coast Resort Corporation

Global Privacy Management Trust and Robert Cranston

Irvine James Dyck

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

Offshore Marketing Alliance and Warren English

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

Southwest Securities

Terry G. Dodsley

Wayne Umetsu

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
August 20/ 2001 9:00 a.m. Courtroom E	**1173219 Ontario Limited c.o.b. as TAC (The Alternate Choice), TAC International Limited, Douglas R. Walker, David C. Drennan, Steven Peck, Don Gutoski, Ray Ricks, Al Johnson and Gerald McLeod** s. 122 Mr. D. Ferris in attendance for staff. Provincial Offences Court Old City Hall, Toronto
September 17/2001 9:30 a.m.	**Einar Bellfield** s. 122 Ms. Sarah Oseni in attendance for staff. Courtroom 111, Provincial Offences Court Old City Hall, Toronto

---

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

1.1.2 CSA Staff Notice 13-307 - Amendments to SEDAR Filer Manual

**CANADIAN SECURITIES ADMINISTRATORS
STAFF NOTICE 13-307**

**NOTICE OF AMENDMENTS TO THE
SEDAR FILER MANUAL**

New Version of the SEDAR Filer Manual

Staff of the Canadian Securities Administrators ("CSA") are issuing this notice to inform users of the System for Electronic Document Analysis and Retrieval ("SEDAR") that a new version of the SEDAR Filer Manual will be available in September on the Websites listed below. An electronic copy of the new SEDAR Filer Manual will be available on a CD-ROM later in the fall.

SEDAR Filer Manual Version 7.0

The CSA approved Version 7.0 of the SEDAR Filer Manual (the "Manual") as the current version, effective September 4, 2001. The Manual, updated to reflect all material changes made to SEDAR since September 1999, supersedes Version 6.0.

Changes to SEDAR in Release 7.0

Release 7.0 includes the following changes to SEDAR:
- Addition of new filing types, subtypes and documents
- Removal of filing types, subtypes and documents that are no longer required

Release 7.0 of the SEDAR software will be implemented on September 4, 2001. More information about the specific changes to SEDAR in Release 7.0 is detailed in the SEDAR Subscriber update dated [date].

Where to get a copy of the Manual

A copy of the Manual will be added to the Websites of the securities regulators in British Columbia, Alberta, Ontario and Québec. The Manual will also be available from the SEDAR Website's homepage.

Website Addresses

British Columbia Securities Commission	**www.bcsc.bc.ca**
Alberta Securities Commission	**www.albertasecurities.com**
Ontario Securities Commission	**www.osc.gov.on.ca**
Commission des valeurs mobilières du Québec	**www.cvmq.com**
SEDAR	**www.sedar.com**

If more information is required, please contact your local SEDAR Customer Service Representative or the CDS SEDAR Help Desk at 1-800-219-5381.

For further information, please contact:

Nathalie Dumancic
Corporate Finance
B.C. Securities Commission
(604) 899-6725
or (800) 373-6393 (in B.C.)
ndumancic@bcsc.bc.ca

Warren Cabral, CA
Securities Analyst
Alberta Securities Commission
(780) 422-2490
warren.cabral@seccom.ab.ca

Marrianne Bridge, CA
Senior Accountant, Advisory Services,
Corporate Finance
Ontario Securities Commission
(416) 595-8907
mbridge@osc.gov.on.ca

Danielle Boudreau
Analyste, Marchés des capitaux
Commission des valeurs mobilières du Québec
(514) 940-2199, poste. 4428
danielle.boudreau@cvmq.com

August 24, 2001.

1.1.3 Notice of Proposed Amendment to Rule 61-501

NOTICE OF PROPOSED AMENDMENT TO
OSC RULE 61-501
UNDER THE SECURITIES ACT
INSIDER BIDS, ISSUER BIDS, GOING PRIVATE TRANSACTIONS
AND RELATED PARTY TRANSACTIONS ("Rule 61-501")
(Canadian Venture Exchange Issuers)

The Commission is publishing in today's Bulletin a Notice of proposed amendment to Rule 61-501 and proposed amendment to Rule 61-501. This amendment would add certain additional exemptions from the formal valuation requirements applicable to related party transactions for issuers listed on the Canadian Venture Exchange ("CDNX"), where such issuers comply with CDNX Policy 5.9.

The Notice and proposed amendment to Rule 61-501 are published in Chapter 6 of this Bulletin.

1.2 Notice of Hearing

1.2.1. James Frederick Pincock

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

AND

**IN THE MATTER OF
JAMES FREDERICK PINCOCK**

**NOTICE OF HEARING
(Sections 127 and 127.1)**

TAKE NOTICE that the Commission will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") at the offices of the Ontario Securities Commission, 20 Queen Street West, 17th Floor Hearing Room on Wednesday, August 22, 2001 at 9:00 a.m. or as soon thereafter as the hearing can be held:

TO CONSIDER whether, pursuant to sections 127(1) and 127.1 of the Act, it is in the public interest for the Commission:

(a) to make an order pursuant to section 127(1) clause 2 of the Act that trading in securities by James Frederick Pincock ("Pincock") cease permanently or for such other period as specified by the Commission;

(b) to make an order pursuant to section 127(1) clause 7 of the Act that Pincock resign one or more positions which Pincock may hold as an officer or director of any issuer;

(c) to make an order pursuant to section 127(1) clause 8 of the Act that Pincock is prohibited from becoming or acting as a director or officer of any issuer permanently or for such other period as specified by the Commission;

(d) to make an order pursuant to section 127(1) clause 6 of the Act that Pincock be reprimanded;

(e) to make an order pursuant to section 127.1 of the Act that Pincock pay the costs of Staff's investigation and the costs of, or related to, this proceeding, incurred by or on behalf of the Commission;

(f) to make such other order as the Commission considers appropriate.

BY REASON OF the allegations set out in the Statement of Allegations dated August 16, 2001, and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel at the hearing;

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

August 16, 2001.

"John Stevenson"

1.2.2. James Frederick Pincock - Statement of Allegations

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

AND

IN THE MATTER OF
JAMES FREDERICK PINCOCK

STATEMENT OF ALLEGATIONS OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

Introduction

1. During the period from May 1995 to May 1999, James Frederick Pincock ("Pincock) was the President of Britwirth Investment Company, Ltd. ("Britwirth"), and an officer or director of Fulton Park Limited ("Fulton Park") and Wifsta Ltd. ("Wifsta"). Pincock has not been registered in any capacity under the *Securities Act* R.S.O. 1990, c. S.5, as amended (the "Act").

2. Britwirth was incorporated pursuant to the laws of the Turks and Caicos Islands, and Fulton Park and Wifsta were incorporated pursuant to the laws of the Isle of Man. Britwirth, Fulton Park and Wifsta have not been registered in any capacity under the Act.

Trading by Pincock Without a Prospectus or Registration Contrary to the Requirements of Ontario Securities Law

3. During the period from May 1995 to May 1999 (the "Material Time"), Pincock traded in securities, where such trading was a distribution of such securities, without having filed a preliminary prospectus and a prospectus and obtaining receipts therefor from the Director as required by section 53(1) of the Act, and without registration contrary to section 25(1) of the Act.

4. In particular, Pincock received funds in the amount of at least CAD1.7 million and at least USD500,00 from approximately 170 investors in Ontario and elsewhere to purchase securities in at least six companies, including, Royal Laser Tech Corporation, Champion Communication Services Inc., Leisure Canada Inc., Indocan Resources Inc., International Menu Solutions Corporation, Pacific Concorde Capital Inc. and Luxell Technologies Inc., (collectively, referred to as the "Companies"). Pincock arranged for the investors to purchase securities in the Companies through a series of pooling or subscription agreements entered into between investors and Britwirth, Fulton Park or Wifsta (the "Agreements").

5. Subsequent to receiving funds from investors for the purchase of securities in the Companies, Britwirth, Fulton Park and Wifsta, at the direction of Pincock, purchased securities in the Companies. Britwirth, Fulton Park and Wifsta, at the direction of Pincock, then distributed securities in the Companies to the investors who had purchased securities through the Agreements.

6. Further, during the Material Time, Pincock, on his own behalf or in his capacity as President of Britwirth, acted or purported to act as an adviser to investors, or as portfolio manager for the purpose of managing investments on behalf of clients. As stated above, Pincock and Britwirth were not registered in any capacity under the Act.

Conduct Contrary To The Public Interest

7. In summary, during the Material Time, Pincock violated Ontario securities law and engaged in conduct contrary to the public interest, by reason of the following:

   (a) Pincock traded in securities, as outlined above, where such trading constituted a distribution of such securities, without filing and obtaining a receipt for a prospectus and without an exemption to the prospectus requirement, contrary to section 53(1) of the Act;

   (b) Pincock traded in securities without registration and without an exemption to the requirement for registration, contrary to section 25(1) of the Act; and

   (c) Pincock acted as an adviser or purported to act as an adviser to investors in Ontario contrary to section 25(1) of the Act and contrary to the public interest.

8. Such additional allegations as Staff may advise and the Commission may permit.

August 16, 2001.

1.3 News Releases

1.3.1 OSC Varies Direction of August 14, 2001 Re: Rampart Securities Inc.

**OSC VARIES DIRECTION OF AUGUST 14, 2001
RE: RAMPART SECURITIES INC.**

Toronto - In response to an application made by Rampart Securities Inc. ("Rampart") and the Investment Dealers Association of Canada (the "IDA") to vary the Direction dated August 14, 2001, the Commission today granted the application and modified the original Direction. The variation of the original Direction will allow a monitor to observe the financial and business affairs of Rampart, as well as allow Rampart to complete transactions through another Member of the IDA where securities are required to be liquidated.

Copies of the varied Direction are available at **www.osc.gov.on.ca** or from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario.

For Media Inquiries:

Frank Switzer
Director, Communications
416-593-8120

Brian Butler
Manager, Enforcement Branch
416-593-8286

For Investor Inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C.s.5, as amended**

AND

**IN THE MATTER OF
RAMPART SECURITIES INC.**

**VARIATION OF DIRECTION DATED AUGUST 14, 2001
(Section 126 (7))**

To: Mr. Nicolas George Tsaconakos
Rampart Securities Inc.
55 University Avenue
Suite 1000
Toronto, ON M5J 2P8

TAKE NOTICE that pursuant to subsection 126 (7) of the Securities Act, an application has been made by you and the Investment Dealers Association of Canada ("the IDA") to vary the Direction made August 14, 2001 by the Ontario Securities Commission ("the Commission") in the above noted matter;

AND TAKE FURTHER NOTICE that the Commission has granted the application whereby the following transactions pertaining to funds, securities or property which you may have on deposit, under your control or for safekeeping are exempted from the restrictions of the aforesaid Direction and may be entered into and completed by you:

a) transactions approved by the Monitor appointed pursuant to an agreement entered into by you, the Monitor and the IDA dated August 16, 2001; and

b) transactions where securities are required to be liquidated, the securities or security positions are transferred to another Member firm of the IDA to conduct the trade, and the proceeds of the aforesaid transaction(s) are subject to the terms of the Monitor agreement set out in paragraph a) above.

August 16, 2001.

"David A. Brown"

1.3.2 James Frederick Pincock

FOR IMMEDIATE RELEASE
August 20, 2001

OSC ISSUES PROCEEDING AGAINST JAMES FREDERICK PINCOCK

Toronto – The Ontario Securities Commission (the "OSC") has issued a Notice of Hearing and related Statement of Allegations against James Frederick Pincock ("Pincock"). The allegations made by the Staff of the Commission against Pincock include the following:

- During the period from May 1995 to May 1999 (the "Material Time"), James Frederick Pincock ("Pincock") traded in securities, contrary to the prospectus requirement contained in section 53(1) of the Securities Act (Ontario) (the "Act") and contrary to the registration requirement contained in section 25(1) of the Act. During the Material Time, Pincock was the President of Britwirth Investment Company, Ltd. ("Britwirth"), and an officer or director of Fulton Park Limited ("Fulton Park") and Wifsta Ltd. ("Wifsta"). Pincock, Britwirth, Fulton Park and Wifsta have not been registered in any capacity under the Act.

- Pincock received funds in the amount of at least CAD 1.7 million and at least USD 500,000 from approximately 170 investors in Ontario and elsewhere to purchase securities in at least six companies, including, Royal Laser Tech Corporation, Champion Communication Services Inc., Leisure Canada Inc., Indocan Resources Inc., International Menu Solutions Corporation, Pacific Concorde Capital Inc. and Luxell Technologies Inc. (collectively, referred to as the "Companies"). Pincock arranged for the investors to purchase securities in the Companies through a series of pooling or subscription agreements entered into between investors and Britwirth, Fulton Park or Wifsta (the "Agreements").

- Subsequent to receiving funds from investors for the purchase of securities in the Companies, Britwirth, Fulton Park and Wifsta, at the direction of Pincock, purchased securities in the Companies. Britwirth, Fulton Park and Wifsta, at the direction of Pincock, then distributed securities in the Companies to the investors who had purchased securities through the Agreements.

- Further, during the Material Time, Pincock, on his own behalf or in his capacity as President of Britwirth, acted as an adviser to investors, or as portfolio manager for the purpose of managing investments on behalf of clients. As stated above, Pincock and Britwirth were not registered in any capacity under the Act.

The first appearance in this matter will be held at 9:00 a.m. on Wednesday, August 22, 2001, in the Main Hearing Room of the Commission located on the 17th Floor, 20 Queen Street West, Toronto, Ontario.

The purpose of this first appearance is to set a date for the hearing.

A copy of the Notice of Hearing and Statement of Allegations is attached to this Release and is also available at the Commission's website at **www.osc.gov.on.ca** or from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario.

For Media Inquiries:

Frank Switzer
Director, Communications
416-593-8120

Michael Watson
Director, Enforcement Branch
416-593-8156

For Investor Inquiries:

OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Upland Investment Management Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - trades to investor and investor's Registered Plans of at least the Prescribed Amount, trades by pooled funds of additional units and reinvested units to existing Unitholders exempted from the dealer registration and prospectus requirements - trades in units of pooled funds exempt from requirement to file a report of such trade within 10 days of the trade provided that reports be filed and fees paid yearly.

Applicable Ontario Statutes

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

Applicable Ontario Rules

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

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

AND

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

AND

IN THE MATTER OF
UPLAND INVESTMENT MANAGEMENT LIMITED

MRRS DECISION DOCUMENT

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

(a) certain trades to investors and their Registered Plans (as defined herein) in units ("Units") of open-end unit trusts established, or to be established from time to time by the Applicant (the "Funds") shall not be subject to the registration and prospectus requirements of the Legislation of the Non-Exempt Jurisdictions (as defined below);

(b) trades in additional Units ("Additional Units") of the Funds to an investor upon:

    (i) the subsequent subscription of the investor shall not subject to the registration and prospectus requirements of the Legislation of Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island; and

    (ii) the reinvestment of distributions by a Fund shall not be subject to the registration and prospectus requirements of the Legislation of Manitoba, New Brunswick, Newfoundland and Prince Edward Island; and

(c) trades in Units and Additional 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 certain prescribed time periods;

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 Applicant has represented to the Decision Maker that:

(a) the Applicant is registered under the *Securities Act* (Ontario) as an adviser in the categories of investment counsel and portfolio manager and as a limited market dealer;

(b) the Applicant intends to establish one or more Funds pursuant to declarations of trust for which the Applicant will act as the manager and trustee;

(c) each Fund will be a "mutual fund" as defined in the Legislation;

(d) none of the Funds currently intends to become a reporting issuer, as such term is defined in the

Legislation, and the Units of the Funds will not be listed on any stock exchange;

(e) each Fund will be divided into Units which will evidence the undivided interest of each investor in the assets of the Fund;

(f) it is intended that Units of the Funds will be qualified for investment by a trust governed by a self-administered registered retirement savings plan or registered retirement income fund ("Registered Plans");

(g) the initial distribution of Units of a Fund ("Initial Investment") to an investor and to the Registered Plans of the investor will have an aggregate acquisition cost to the investor and the investor's Registered Plans (an investor alone, an investor's Registered Plan alone, or any combination of the foregoing, a "Unitholder") of at least the amount prescribed by the Legislation (the "Prescribed Amount") in connection with exemptions from the prospectus and registration requirements (the "Private Placement Exemptions") which require the investor to purchase securities of an issuer having a minimum acquisition cost;

(h) in Jurisdictions other than British Columbia (the "Non-Exempt Jurisdictions") where the Prescribed Amount of an Initial Investment in a Fund is met through the aggregation of the acquisition cost of Units of a Fund by some or all of an investor and an investor's Registered Plans, the Private Placement Exemptions would not be available;

(i) following an Initial Investment, it is proposed that a Unitholder be able to subscribe and pay for Additional Units of a Fund in increments of less than the Prescribed Amount, provided that at the time of such subsequent acquisition the Unitholder holds Units of the Fund with an aggregate acquisition cost or aggregate net asset value, whichever is higher, of at least the Prescribed Amount.

(j) each Fund proposes to distribute Additional Units by way of automatic reinvestment of distributions to Unitholders of such Fund; and

(k) Units of the Funds will be non-transferable, except with the consent of the Applicant, in the limited circumstances set out in the declaration of trust of the particular Fund, but will be redeemable in accordance with the procedures set out in the declaration of trust of the particular Fund;

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

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

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

(a) the registration and prospectus requirements contained in the Legislation of the Non-Exempt Jurisdictions shall not apply to:

(i) an Initial Investment in Units of a Fund in each of the Jurisdictions provided that:

(a) the aggregate acquisition cost to a Unitholder of the Initial Investment is not less than the Prescribed Amount;

(b) at the time of the Initial Investment of Units, the Applicant is registered under the Legislation of Ontario as an adviser in the categories of investment counsel and portfolio manager and such registration is in good standing; and

(c) this clause (i) will cease to be in effect in a Jurisdiction 90 days after the coming into force, subsequent to the date of this Decision, of any legislation, regulation or rule in the Jurisdiction exempting from the registration and prospectus requirements of the Legislation Initial Investments by Unitholders in securities of a pooled fund as described in this Decision;

(ii) trades in Additional Units pursuant to a subsequent subscription and payment by a Unitholder in Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island provided that:

(a) the Initial Investment was made pursuant to the Private Placement Exemption or the exemption granted in clause (i) of this Decision

(b) at the time of trade of Additional Units, the Applicant is registered under the Securities Act (Ontario) as an adviser in the categories of investment counsel and portfolio manager and as a dealer in the category of limited market dealer and such registration is in good standing;

(c) at the time of the trade of Additional Units, the Unitholder then owns Units of a Fund having

an aggregate acquisition cost or an aggregate net asset value of not less than the Prescribed Amount;

(d) this clause (ii) will cease to be in effect in a Jurisdiction 90 days after the coming into force, subsequent to the date of this Decision, of any legislation, regulation or rule in the Jurisdiction exempting from the registration and prospectus requirements of the Legislation Initial Investments by Unitholders in securities of a pooled fund as described in this Decision;

(iii) trades in Additional Units of a Fund pursuant to the reinvestment of distributions of the Fund in Manitoba, New Brunswick, Newfoundland and Prince Edward Island provided that:

(a) no sales commissions or other charge in respect of such issuance of Additional Units is payable; and

(b) each Unitholder who so receives Additional Units has received, not more than 12 months before such issuance, a statement describing (a) the details of any deferred or contingent sales charges or redemption fee that is payable at the time of the redemption of a Unit, (b) any rights that the Unitholder has to make an election to receive cash instead of Units in 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), if any, can be exercised and (d) the fact the no prospectus is available for the Fund as Units are offered pursuant to prospectus exemptions only;

provided that the first trade in Units and Additional Units that are issued pursuant to this Decision shall be deemed to be a distribution or a primary distribution to the public under the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Legislation"), unless otherwise exempt thereunder or unless such first trade is made in the following circumstances:

(i) the applicable Fund is a reporting issuer or the equivalent under the Applicable Legislation;

(ii) if the seller of the Units or Additional Units is in a special relationship (as defined in the Applicable Legislation) with the Fund, the seller has reasonable grounds to believe that the Fund is not in default of any requirement of the Applicable Legislation;

(iii) no unusual effort is made to prepare the market or to create a demand for the Units or Additional Units and no extraordinary commission or consideration is paid in respect of such trade; and

(iv) the Units have been held for a period of at least eighteen months from the date they were acquired by the seller of the Units or the Additional Units have been held for a period of at least eighteen months from the date they were acquired by the seller of the Additional Units;

(b) the requirements contained in the Legislation of the Jurisdictions other than Manitoba to file a report of trades in Units or Additional Units within 10 days of such trade (or in some cases within 10 days after the calendar year in which the distribution takes place) and pay the associated fee shall not apply to a trade in Units or Additional Units of a Fund made in reliance on the exemptions from the registration and prospectus requirements contained in this Decision or in reliance on the Private Placement Exemptions provided that within 30 days of the end of 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 to the applicable Decision Maker the fee prescribed by the applicable Legislation.

August 8, 2001.

"Paul M. Moore" "R. Stephen Paddon"

2.1.2 Canadian Portable Contribution Consortium Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - certain trades in securities of a corporation, effected in connection with and incidental to the corporation's administration of a new national contribution mechanism and fund based on revenues from telecommunications service providers created pursuant to a decision of the Canadian Radio-television and Telecommunications Commission, exempt from the prospectus and registration requirements, subject to certain conditions.

Statutes Cited

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

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

AND

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

AND

**IN THE MATTER OF
CANADIAN PORTABLE CONTRIBUTION CONSORTIUM
INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland, Yukon Territory, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from Canadian Portable Contribution Consortium Inc. ("CPCC") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the registration and prospectus requirements of the Legislation shall not apply to the proposed distributions or trades of shares of CPCC made in connection with or subsequent to Decision CRTC 2000-745 ("Decision 2000-745") released by the Canadian Radio-television and Telecommunications Commission (the "CRTC");

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

AND WHEREAS CPCC has represented to the Decision Makers that:

1. CPCC is a company which was incorporated under the laws of Canada on October 23, 1997.

2. CPCC is not a reporting issuer or equivalent in any jurisdiction in Canada.

3. The authorized share capital of CPCC consists of an unlimited number of common shares with no par value. As at July 25, 2001, there were 30 common shares issued and outstanding, held by 30 shareholders, each of whom is either a traditional telephone company, a competitive provider of local exchange telecom services (a "Competitive Provider"), or a person who has indicated to the CRTC its intention of becoming a Competitive Provider.

4. CPCC's articles of incorporation restrict the transfer of shares without the written consent of the directors of CPCC. They also restrict the transfer of shares so as to prohibit invitations to the public to subscribe for its securities, and restrict the number of shareholders to fifty, exclusive of employees or former employees (the "Private Company Restrictions"). CPCC will amend its articles of incorporation to remove the Private Company Restrictions when this Decision comes into effect.

5. CPCC was formed in 1997 as a result of the CRTC's Decision CRTC 97-8 dated May 1, 1997 which introduced a mechanism called "portable contribution", effective as of January 1, 1998, designed to subsidize the provision to all Canadians of affordable local exchange residential telephone service. In that decision document, the CRTC requested a working group of industry representatives supervised by the CRTC to recommend the appropriate procedures for selecting the central fund administrator and for establishing and administering the central funds. The result was the establishment of CPCC for this purpose.

6. In November 2000, the CRTC released Decision 2000-745 which orders the creation of a new national contribution mechanism based on revenues from telecommunications service providers ("TSPs") replacing the existing per-minute mechanism. Decision 2000-745 was issued pursuant to the CRTC's statutory authority under section 46.5 of the *Telecommunications Act,* R.S.C. 1993, C. T-38 to "require any telecommunications service provider to contribute, subject to any conditions that the Commission may set, to a fund to support continuing access by Canadians to basic telecommunications services". This new mechanism came into effect as of January 1, 2001 but has a transitionary period for the first quarter of 2001.

7. Pursuant to Decision 2000-745:

   (a) The CRTC has ordered that the CPCC is to act as the body responsible for overseeing the management of the revenue based contributions;

(b) The CRTC has broadened the number of TSPs that are required to contribute to the national fund ("Required Contributors"). All TSPs with at least $10 Million in annual qualifying revenues are required by the CRTC to contribute to the national fund;

(c) As well as being responsible for overseeing the collection of the required contributions from the Required Contributors, CPCC will be responsible for overseeing the distribution of the funds collected to those entities that are eligible to receive such funds in accordance with determinations of the CRTC from time to time ("Eligible Recipients").

8. A structure has been developed by the TSPs and other parties involved in an attempt to best implement Decision 2000-745. Pursuant to that structure, CPCC's articles of incorporation will be amended to create multiple classes of shares, and to remove the Private Company Restrictions, except that those restrictions which limit the transfer of shares will remain in place. Class A, B, C, D, and E common shares ("Common Shares") will be created. Each of the five different types of TSPs will be issued one of the classes of Common Shares. The attributes of each class of Common Shares will be the same except that holders of each class of Common Shares will be entitled to elect directors to represent that class of TSPs.

9. Each of the Eligible Recipients will be required to become a shareholder of CPCC a ("Shareholder") and each Required Contributor may but is not required to become a Shareholder. Each Shareholder will be able to subscribe for only one Common Share of the applicable class at a subscription price of $10.00 plus payment to CPCC of a one-time non-recoverable contribution of $2,500.00. The existing common shares held by the existing Shareholders will be converted into Common Shares of the applicable class on a one-for-one basis. It is estimated that, initially, approximately 75 TSPs will be offered Common Shares.

10. Each Shareholder will be required to sign a unanimous shareholder agreement (the "Shareholders Agreement") to be approved by the CRTC. Pursuant to the Shareholders' Agreement, no sale of Common Shares of CPCC will occur to persons who are not TSPs, and a Shareholder may hold only one Common Share.

11. Pursuant to the Shareholders Agreement, CPCC will provide to each shareholder of CPCC a copy of unaudited quarterly financial statements and annual financial statements related to CPCC, notices of meetings of the board of directors of CPCC together with copies of all documents pertaining thereto. Shareholders of CPCC will have access to all books and records of CPCC on notice to CPCC.

12. CPCC will not be a reporting issuer or the equivalent in any Jurisdiction at the time the revised corporate structure becomes effective. CPCC has no present intention of becoming a reporting issuer or the equivalent in any of the Jurisdictions.

13. There is no present or future market or secondary trading anticipated for the Common Shares of CPCC in the Jurisdictions, save for the trades that would occur if shares were surrendered by TSPs to CPCC, repurchased from TSPs by CPCC, or transferred from a TSP to an affiliated TSP.

14. The Shareholders Agreement will provide that no shareholder can transfer its Common Share, by any means, at any time except with the prior unanimous consent in writing of all of the other Shareholders, provided that any Shareholder shall be permitted to grant a security interest in the Common Share held by it as part of a bona fide agreement with its lenders related to a majority of the assets of the Shareholder.

15. The Shareholders Agreement will provide that in certain instances where a Shareholder may transfer all (but not less than all) of its interests in CPCC including without limitation the Share owned by it, to any affiliate of the Shareholder (the "Transferee") including by way of corporate reorganization provided that:

(a) Such Transferee satisfies the eligibility criteria applicable to the class of Common Share to be transferred; and

(b) Such Transferee shall sign onto the Shareholders' Agreement, or another assumption agreement reasonably satisfactory to CPCC and the other Shareholders in form and substance providing that the Shareholder agrees to be bound by all of the terms and conditions of the Shareholders' Agreement and to assume all of the obligations of the transferor under the Shareholders' Agreement.

16. The corporate structure and operations of CPCC will at all times be subject to the general supervision of the CRTC exercising its statutory powers and responsibilities under the Telecommunications Act.

17. Exemptions from registration and prospectus requirements of the Legislation in respect of trades made in connection with Decision 2000-745, as indicated above, are not available in all Jurisdictions.

AND WHEREAS under the System, this MRRS 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 each Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the registration and prospectus requirements in the Legislation shall not apply to: (a) the issuance of Common Shares from CPCC to TSPs; (b) the surrender of Common Shares from TSPs to CPCC; (c) the repurchase of Common Shares from TSPs by CPCC; or (d) the transfer of Common Shares from a TSP to an affiliated TSP (the "Permitted Trades") provided that the first trade of Common Shares acquired pursuant to this Decision in a

Jurisdiction that is not a Permitted Trade shall be deemed a distribution or primary distribution to the public under the Legislation of such Jurisdiction.

August 16, 2001.

"Paul M. Moore" "R. Stephen Paddon"

2.1.3 National Bank Financial Inc. & NCE Petrofund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Section 233 of the Regulation - Registrant underwriting a proposed short-form distribution of trust units exempt from clause 224(1)(b) of the Regulation where the issuer is a connected issuer, but not a related issuer, of such registrant and issuer is not a "specified party" as defined in proposed new instrument.

Applicable Regulations

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

Rules Cited

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

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
NEWFOUNDLAND, ONTARIO AND QUÉBEC

AND

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

AND

IN THE MATTER OF
NATIONAL BANK FINANCIAL INC. AND
NCE PETROFUND

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of Newfoundland, Ontario and Québec (the "Jurisdictions") have received an application from National Bank Financial Inc. ("Bank-Affiliated Underwriter") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation for:

1. At least 50% of an offering of securities to be underwritten by independent underwriters; and

2. The largest portion of an offering of securities underwritten by an independent underwriter to be not less than the largest portion of the offering underwritten by any non-independent underwriter,

where the offering is otherwise being underwritten by underwriters in respect of which the issuer is a "connected issuer" (the "Independent Underwriter Requirements"), or the equivalent, shall not apply to a proposed distribution of trust

units (the "Trust Units ") of NCE Petrofund (the "Issuer") to be made by way of a short form prospectus (the "Offering");

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

AND WHEREAS the Issuer and Bank-Affiliated Underwriter has represented to the Decision Makers that:

1. The Issuer is an open-end investment trust created on December 16, 1988 under the laws of the Province of Ontario pursuant to a trust indenture between NCE Petrofund Corp. and Montreal Trust Company of Canada, as trustee.

2. The Issuer is a reporting issuer under the securities laws of the Province of Ontario and is a reporting issuer, or the equivalent thereof, in each of the other provinces and territories of Canada.

3. The Trust Units are listed and posted for trading on The Toronto Stock Exchange and the American Stock Exchange.

4. The Issuer has agreed to issue 2,500,000 Trust Units on a bought deal basis (for aggregate gross proceeds of $37,500,000) pursuant to an underwriting agreement dated July 27, 2001 (the "Underwriting Agreement") among the Issuer and Bank-Affiliated Underwriter, Canaccord Capital Corporation, Raymond James Ltd. and Yorkton Securities Inc. (collectively, the "Underwriters"), and has agreed to grant to the Underwriters an option for up to an additional 500,000 Trust Units (such option to be exercised prior to the closing of the Offering). The Issuer has also granted to the Underwriters an option "the "Over Allotment Option"), exerciseable for a period of 10 days from closing of the Offering, to purchase up to an additional 15% of the Trust Units sold at closing, at the Offering price.

5. The Underwriting Agreement provides, among other things, for the payment of a commission to the Underwriters equal to 5.50% of the gross proceeds of the Offering.

6. The proportion of the Offering to be sold on behalf of the Issuer by the Underwriters (the "Syndicate Composition") pursuant to the Underwriting Agreement is as follows:

1.	National Bank Financial Inc.	-	36.5%
2.	CIBC World Markets Inc.	-	23.5%
3.	Canaccord Capital Corporation	-	15%
4.	Raymond James Ltd.	-	15%
5.	Yorkton Securities Inc.	-	10%

7. The Issuer has undertaken in the Underwriting Agreement to file a preliminary short form prospectus and a short form prospectus (collectively, the "Prospectuses") with the securities regulatory authorities in each of the provinces of Canada and to obtain a receipt therefor in order to qualify the Trust Units for distribution in those provinces. Ontario will be designated as the principal jurisdiction for filing of the Prospectuses.

8. The Underwriters will not benefit in any manner from the Offering other than the payment of the commissions described in paragraph 5 above. However, it is currently intended that a portion of the net proceeds of the Offering will be used to repay bank indebtedness.

9. The Issuer has a credit facility (the "Credit Facility") currently established with a syndicate of lenders (the "Banks"). Bank-Affiliated Underwriter is affiliated with one of the Banks. The Issuer currently owes the Banks approximately $161 million under the Credit Facility.

10. The nature of the relationship among the Issuer and the Bank-Affiliated Underwriter and the Banks will be described in the Prospectuses.

11. The Prospectuses will contain a certificate signed by each Underwriter in accordance with Item 21.2 of Form 44-101F3.

12. The net proceeds of the Offering will be used to reduce outstanding borrowings under the Credit Facility and the balance will be spent for general working capital purposes.

13. The Issuer is not, in connection with the Offering, a "related issuer" as defined in Multilateral Instrument 33-105, of any of the Underwriters for the purposes of the Legislation. However, by virtue of the relationships described above, the Issuer may, in connection with the Offering, be a "connected issuer" as defined in Multilateral Instrument 33-105 of the Bank-Affiliated Underwriter for the purposes of the Legislation.

14. The decision to undertake the Offering, including the determination of the terms of the distribution, was made through negotiation between the Issuer and the Underwriters, without involvement of the Banks.

15. Each of the Underwriters are independent registrants and have participated in the due diligence carried out prior to the filing of the Prospectuses and the negotiation of the price of the Trust Units.

16. The Underwriters, in connection with the Offering, will not comply with the Independent Underwriter Requirements of the Legislation.

17. The Prospectuses will comply with Proposed Multi-Jurisdictional Instrument 33-105 (the "Proposed Instrument") including Appendix C thereto. The Issuer is not in financial difficulty and 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 of the Decision Makers (collectively, the "Decision");

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Independent Underwriter Requirement shall not apply to the Bank-Affiliated Underwriters in connection with the Offering provided that the Issuer is not a related issuer, as defined in the Proposed Instrument, to the Bank-Affiliated Underwriters at the time of the Offering and is not a specified party, as defined in the Proposed Instrument, at the time of the Offering.

August 7, 2001.

"Me Jean-François Bernier"

2.1.4 SNP Split Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief granted to split share company from requirement to file annual financial statements. Financial position of issuer at year-end reflected in financial statements included in prospectus filed just prior to year-end.

Applicable Ontario Statutory Provisions

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

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

AND

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

AND

IN THE MATTER OF
SNP SPLIT CORP.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, and Newfoundland (the "Jurisdictions") has received an application from SNP Split Corp. (the "Issuer") for a decision under the securities legislation (the "Legislation") of the Jurisdictions that the Issuer be exempted from filing and distributing annual financial statements and an annual report, where applicable, for its fiscal year ended June 4, 2001, as would otherwise be required pursuant to applicable Legislation;

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

AND WHEREAS the Issuer has represented to the Decision Maker that:

1. The Issuer filed a final prospectus dated May 28, 2001 (the "Prospectus") with the securities regulatory authority in each of the Provinces of Canada pursuant to which a distribution of 14,200,000 class A capital shares (the "Capital Shares") and 7,100,000 class A preferred shares (the "Preferred Shares") of the Issuer was completed on June 4, 2001.

2. The Issuer was incorporated under the laws of the Province of Ontario on April 23, 2001. The fiscal year

end of the Issuer is June 4, with the first fiscal year end occurring on June 4, 2001. The final redemption of the publicly held shares of the Issuer is scheduled to occur on June 4, 2006.

3. The head office of the issuer is in Ontario.

4. The authorized capital of the Issuer consists of an unlimited number of Capital Shares, of which 14,200,000 are issued and outstanding, an unlimited number of Preferred Shares, of which 7,100,000 are issued and outstanding, an unlimited number of class B, class C, class D and class E capital shares, issuable in series, none of which are issued and outstanding, an unlimited number of class B, class C, class D and class E preferred shares, issuable in series, none of which are issued and outstanding, and an unlimited number of class J voting shares (the "Class J Shares"), of which 100 are issued and outstanding. The attributes of the Capital Shares and the Preferred Shares are described in the Prospectus under "Description of Share Capital".

5. The Class J Shares are the only class of voting securities of the Issuer. Scotia Capital Inc. ("Scotia Capital") owns 50 of the issued and outstanding Class J Shares and SNP Split Holdings Corp. owns the remaining issued and outstanding Class J Shares. Two employees of Scotia Capital each own 50% of the common shares of SNP Split Holdings Corp. Scotia Capital acted as an agent for, and was the promoter of, the Issuer in respect of the offering of the Capital Shares and the Preferred Shares.

6. The principal undertaking of Issuer is the holding of a portfolio of common shares (the "Portfolio Shares") of the companies that make up the *S&P 100 Index* in order to generate distributions for the holders of Preferred Shares and to enable the holders of Capital Shares to participate in capital appreciation in the Portfolio Shares. The operations of the Issuer commenced on or about June 4, 2001 at which time it began to acquire the Portfolio Shares now held by it. The Portfolio Shares held by the Issuer will only be disposed of as described in the Prospectus.

7. The Prospectus included an audited balance sheet of the Issuer as at May 28, 2001 and an unaudited pro forma balance sheet prepared on the basis of the completion of the sale and issue of Capital Shares and Preferred Shares of the Issuer. As such, the financial position of the Issuer as at June 4, 2001 will have been substantially reflected in the pro forma financial statements contained in the Prospectus as the financial position of the Issuer is not materially different from the pro forma financial statements of the Issuer contained in the Prospectus. Furthermore, no material acquisition or disposition of shares has occurred during the period from the date the Portfolio Shares were acquired to June 4, 2001.

8. The Issuer is an inactive company, the sole purpose of which is to provide a vehicle through which different investment objectives with respect to participation in the Portfolio Shares may be satisfied. Holders of Capital Shares will be entitled on redemption to the benefits of any capital appreciation in the market price of the Portfolio Shares after payment of administrative and operating expenses of the Issuer and the fixed distributions on the Preferred Shares, and holders of Preferred Shares will be entitled to receive fixed cumulative preferential distributions on a quarterly basis equal to US$0.375 per Preferred Share.

9. The benefit to be derived by the security holders of the Issuer from receiving an annual report, where applicable, and financial statements for the fiscal year ended June 4, 2001 would be minimal in view of the extremely short period from the date of the Prospectus to its fiscal year end and given the nature of the minimal business carried on by the Issuer.

10. The expense to the Issuer of preparing, filing and sending to its security holders an annual report, where applicable, and financial statements for the fiscal year ended June 4, 2001 would not be justified in view of the benefit to be derived by the security holders from receiving such statements.

11. The interim unaudited financial statements of the Issuer for the period ending December 4, 2001 and the annual audited financial statements and the annual report, where applicable, for the period ending June 4, 2002 will include the period from May 28, 2001 to June 4, 2001.

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

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

IT IS HEREBY DECIDED by the Decision Makers pursuant to the Legislation that the Issuer is exempted from filing and distributing an annual report, where applicable, and annual financial statements for its fiscal year ended June 4, 2001, provided the interim unaudited financial statements of the Issuer for the period ending December 4, 2001 and the annual audited financial statements and the annual report, where applicable, for the period ending June 4, 2002 will include the period from May 28, 2001 to June 4, 2001.

August 8, 2001.

"Paul M. Moore" "R. Stephen Paddon"

2.1.5 Holding Company Depositary Receipts for Common Shares of Canadian Pacific Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Distribution of Depositary Receipts which will, following the reorganization of Canadian Pacific Limited, represent common shares of the five separate companies which will be the successors to Canadian Pacific Limited; Depositary Receipts to be listed on The Toronto Stock Exchange;

- relief granted from the prospectus requirements to permit the Depositary Receipts to be distributed without a prospectus and from the registration requirements to permit the Depositary to trade in connection with issuances of the Depositary Receipts, subject to conditions which include the requirement that each purchaser receive a disclosure document which has been reviewed by the regulators and affords purchasers a contractual right of action for a misrepresentation in it;

- relief granted in Ontario only from the requirements to file material change reports, annual and interim financial statements, annual filings in lieu of information circulars, AIFs including MD&A and to deliver annual MD&A and financial statements provided that certain alternative disclosure is filed annually and periodically on SEDAR;

- relief granted in Ontario only to permit the disclosure document and the alternative continuous disclosure materials to be filed on SEDAR.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss 25, 53, 74, 75, 77, 78, 79, 80(b)(iii), 81(2), 107, 108, 109, 121(2).

Applicable Ontario Rules Cited

National Instrument 13-101 - System For Electronic Document Analysis and Retrieval (SEDAR).

OSC Rule 51-501- AIF and MD&A.

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

AND

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

AND

IN THE MATTER OF
HOLDING COMPANY DEPOSITARY RECEIPTS FOR COMMON SHARES OF CANADIAN PACIFIC LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, the Northwest Territories, the Yukon and Nunavut (the "Jurisdictions") has received an application from Merrill Lynch Canada Inc. ("Merrill Lynch") in connection with a transaction (the "Transaction") whereby owners of common shares of Canadian Pacific Limited will be invited to deposit their shares with BNY Trust Company of Canada, a trust company under the *Trust and Loan Companies Act* (Canada) and regulated by the Office of the Superintendent of Financial Institutions, (the "Depositary") to receive HOLding Company Depositary ReceiptS ("CP HOLDRS"). Merrill Lynch seeks a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following requirements, restrictions and provisions contained in the Legislation will not apply in respect of the Transaction and CP HOLDRS (the "Prospectus and Registration Requirements"):

(a) the requirements contained in the Legislation for the Depositary to be registered to trade in connection with issuances of CP HOLDRS by the Depositary; and

(b) the requirements contained in the Legislation to file a preliminary prospectus and a prospectus and receive receipts therefor in connection with any distributions of CP HOLDRS;

AND WHEREAS Merrill Lynch seeks the following decisions from the appropriate Decision Makers in Ontario:

(a) a decision pursuant to section 80(b)(iii) of the Securities Act (Ontario), R. S. O. 1990, chapter S.5, as amended (the "Act") that the following requirements will not apply in respect of the Transaction and CP HOLDRS:

   (i) the requirement in section 75 of the Act for the issuer of CP HOLDRS to report material changes;

   (ii) the requirements in sections 77 to 79 of the Act for the issuer of CP HOLDRS to prepare, file, and deliver audited, comparative annual financial statements and unaudited, comparative, interim financial statements; and

   (iii) the requirement in section 81(2) of the Act to file a report in place of an information circular;

(b) a decision pursuant to section 121(2) of the Act that the requirements in sections 107 to 109 of the Act requiring each "insider" (as such term is defined in the Act) to prepare and file insider

reports will not apply in respect of the Transaction and CP HOLDRS;

(these requirements are, collectively, the "Continuous Disclosure Requirements")

(c) a decision pursuant to section 5.1 of Ontario Securities Commission Rule 51-501 ("Rule 51-501") that the following requirements will not apply in respect of the Transaction and CP HOLDRS:

(i) the requirement in section 2.1 of Rule 51-501 to prepare and file an annual information form (including management's discussion and analysis of financial condition and results of operations);

(ii) the requirement in section 3.1 of Rule 51-501 to deliver management's discussion and analysis of financial condition and results of operations to securityholders; and

(these requirements are collectively the "AIF and MD&A Requirements")

(d) a decision pursuant to section 7.1 of National Instrument 13-101- System for Electronic Document Analysis and Retrieval (SEDAR) ("NI") that the disclosure document to be sent to shareholders in connection with CP HOLDRS (the "HOLDRS Document") and related materials may be filed electronically through SEDAR.

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 Merrill Lynch has represented to the Decision Makers that:

1. Canadian Pacific Limited ("CP" or "Canadian Pacific") has announced a plan (the "Reorganization") to split into five separate public companies — PanCanadian Petroleum Limited, Canadian Pacific Railway Company, Fording Inc., CP Ships Holdings Inc. and Canadian Pacific Limited (which may be renamed) (the "Successor Companies").

2. CP has announced that current owners of common shares of Canadian Pacific ("CP Shares") will receive securities of each of the Successor Companies in the Reorganization (in this Decision Document, the CP Shares and, after the Reorganization, the securities of the Successor Companies that will be evidenced by CP HOLDRS are referred to as the "CP Securities"). The details of the Reorganization, including the number and designation of the securities to be distributed, have not been announced.

3. CP HOLDRS are receipts that are designed to provide owners of CP Securities ("Shareholders") with a single instrument that evidences beneficial ownership of the CP Securities. CP HOLDRS will be issued pursuant to a deposit agreement (the "Deposit Agreement"). The Toronto Stock Exchange has conditionally approved the listing of CP HOLDRS and application has been made to list CP HOLDRS on the New York Stock Exchange.

4. CP HOLDRS are expected to help reduce the inconvenience of owning shares of the five Successor Companies.

5. Shareholders may elect to deposit all or a portion of their CP Shares (along with the applicable coordination fee and dealer fee, if applicable, described below) in order to receive an equal number of CP HOLDRS.

6. CP HOLDRS will initially be made available to Shareholders during a period expected to commence six to eight weeks prior to the anticipated completion date of the Reorganization and to end shortly before the commencement date of the Reorganization (the "Initial Deposit Period").

7. Merrill Lynch, as coordinator, will coordinate and promote the Transaction. Merrill Lynch will prepare informational, promotional and marketing materials regarding CP HOLDRS and will pay certain expenses in connection with the Transaction.

8. In consideration for the services being provided by Merrill Lynch in connection with the Transaction, Shareholders who wish to obtain CP HOLDRS during the Initial Deposit Period will pay Merrill Lynch a coordination fee of the Canadian dollar equivalent of US$0.10 per CP HOLDR. In addition, Shareholders who wish to obtain up to 9,999 CP HOLDRS may pay a dealer fee of the Canadian dollar equivalent of US$0.10 per CP HOLDR, which will be retained by the dealer who has deposited shares on behalf of a Shareholder. No dealer fee is payable to receive 10,000 CP HOLDRS or more.

9. For each CP Share properly deposited during the Initial Deposit Period, a Shareholder will receive one CP HOLDR prior to the completion of the Reorganization. As the shares of the Successor Companies are spun off from Canadian Pacific, such shares will be represented by CP HOLDRS.

10. During the Initial Deposit Period, a Shareholder that has deposited CP Shares with the Depositary may cancel any election previously made to receive CP HOLDRS and to withdraw the CP Shares. To effect such a withdrawal, a Shareholder would notify its dealer of its desire to withdraw. In such an event, the coordination fee, will be returned by the Depositary to the Shareholder's dealer.

11. The Depositary will not accept deposits of securities during the period between the end of the Initial Deposit Period and ending on the day that is 30 days after the completion of the Reorganization (the "Blackout Period").

12. After the termination of the Blackout Period, the Depositary will accept deposits of the appropriate number of CP Securities and issue CP HOLDRS. After the Initial Deposit Period, Shareholders will be required to pay an issuance fee of up to US$0.10 per CP HOLDR to the Depositary in order to receive CP HOLDRS. The issuance fee is within the discretion of the Depositary and may be less than US$0.10 per CP HOLDR.

13. CP HOLDRS will evidence the deposit with the Depositary of the CP Securities by a Shareholder and there will be no change in beneficial ownership of the CP Securities. The CP Securities will be held by the Depositary on behalf of Shareholders.

14. This Transaction will not alter the tax consequences of the Reorganization for Shareholders resident in Canada. The deposit of CP Shares will not be a disposition for Canadian federal income tax purposes. An advance income tax ruling confirming this tax treatment has been received. In addition, owners of CP HOLDRS are the owners of the CP Securities and therefore Shareholders resident in Canada will not be subject to any additional taxes as a result of evidencing their ownership of the CP Securities through the CP HOLDRS.

15. Shareholders will retain the right to receive all continuous disclosure material required to be sent to beneficial owners of the CP Securities by issuers of those securities as if the Shareholder held the CP Securities directly.

16. Shareholders will retain the right to vote the CP Securities.

17. Shareholders will retain the right to receive all dividends and other distributions from the Successor Companies (after payment of the annual fee and any expenses of the Depositary). The Depositary will forward to owners of CP HOLDRS, subject to certain limitations and net of any fees of the Depositary, any distributions of cash (including dividends), securities or property made with respect to the CP Securities.

18. Shareholders may, at any time, surrender CP HOLDRS to obtain legal title to the CP Securities. The CP Securities can be withdrawn at any time upon the surrender of CP HOLDRS pursuant to the terms of the Deposit Agreement and subject to the payment of applicable fees (including the payment to the Depositary of a cancellation fee up to US$0.10 per CP HOLDR surrendered), taxes or governmental charges, if any. The cancellation fee is within the discretion of the Depositary and may be less than US$0.10 per CP HOLDR.

19. In order to sell CP Securities evidenced by CP HOLDRS individually or to participate in a take-over bid relating to such securities, a holder will surrender his or her CP HOLDRS and receive delivery of each of the CP Securities. The surrender of CP HOLDRS will allow a holder to sell individual CP Securities or to deliver individual CP Securities in a take-over bid. The surrender of CP HOLDRS will involve payment of a cancellation fee of up to US$0.10 per CP HOLDR to the Depositary.

20. If an issuer of CP Securities offers to its holders any rights to subscribe for additional securities, the rights will be made available to holders of CP HOLDRS through the Depositary (if practicable and if the rights and the securities to which those rights relate can be made available under applicable securities laws). Otherwise, if practicable, the rights will be disposed of and the net proceeds distributed to holders by the Depositary. In all other cases the rights will lapse.

21. The Deposit Agreement provides for the automatic distribution of securities to holders of CP HOLDRS in the following circumstances:

    (a) if any CP Securities cease to be outstanding as a result of, or are surrendered by the Depositary in connection with, a merger, consolidation or other corporate combination of its issuer and, as a result, the Depositary receives, in exchange for the securities, securities that are listed on a national securities exchange in Canada and either on a national securities exchange in the United States or through Nasdaq;

    (b) if the CP Securities of an issuer are delisted from trading on their primary securities exchange in Canada or the United States and are not listed for trading on another national securities exchange in Canada or either a national securities exchange in the United States or through Nasdaq, as the case may be, within five business days from the date of such delisting;

    (c) if an issuer of CP Securities is no longer a reporting issuer under Canadian securities laws (or the equivalent in the U.S.); or

    (d) if the United States Securities and Exchange Commission determines that an issuer of CP Securities is an "investment company".

22. Under the Deposit Agreement, the Depositary agrees to provide a number of services, customarily provided by intermediaries. These services will be performed directly or through The Canadian Depository for Securities Limited ("CDS") and its participants (including The Depository Trust Company in the United States), in accordance with the procedures customarily followed for securities registered in CDS's book-entry settlement system.

23. In exchange for providing these administrative services, the Depositary will receive an annual fee of up to US$0.015 per CP HOLDR and is also entitled to a cancellation fee of no more than US$0.10 per CP HOLDR when CP HOLDRS are surrendered in exchange for the CP Securities.

24. Under the Deposit Agreement, the Depositary may at any time resign as Depositary. The resignation takes effect on the appointment of a successor Depositary

and its acceptance of the appointment. Merrill Lynch will agree to use its reasonable efforts to identify a successor Depositary. If Merrill Lynch is unable to identify a successor within 60 days of notice of resignation by the Depositary, then the CP HOLDRS will be cancelled and the Depositary will deliver the CP Securities to the beneficial owners.

25. Merrill Lynch, acting on behalf of owners of CP HOLDRS, may remove the Depositary if the Depositary is in material breach of its obligations under the Deposit Agreement and the Depositary fails to cure such breach within thirty days after receipt by the Depositary of written notice of the default.

26. While it is used in connection with the issuance of CP HOLDRS, the HOLDRS Document will be sent to Shareholders (or dealers who act on behalf of purchasers of CP HOLDRS). The HOLDRS Document will disclose the following:

 (a) a summary of the terms of the CP HOLDRS;

 (b) a summary of the Deposit Agreement, together with a copy of the Deposit Agreement;

 (c) the procedure to be followed to obtain CP HOLDRS during the Initial Deposit Period and thereafter, and the applicable fees;

 (d) the procedure to be followed to surrender the CP HOLDRS to receive the CP Securities, and the applicable fees;

 (e) the risks associated with CP HOLDRS;

 (f) the tax consequences of obtaining and holding CP HOLDRS;

 (g) the name and address of the Depositary; and

 (h) the following covenant of Merrill Lynch.

 If you have deposited securities with the Depositary and received CP HOLDRS under this document, as amended or supplemented from time to time, and if there is a misrepresentation, as defined under applicable securities laws, in this document (as amended or supplemented at the time of your deposit), you may bring an action against Merrill Lynch for (a) a refund of the fees you paid to receive your CP HOLDRS provided that the action is commenced before the earlier of (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action and (ii) the date three years from the date the plaintiff received the CP HOLDRS or (b) a refund of the fees you paid to receive your CP HOLDRS and a refund of any cancellation fees paid on surrender of your CP HOLDRS provided that the action is commenced no later than 180 days after the date the plaintiff received the CP HOLDRS. This right is in addition to and without derogation from any other right you may have at law.

27. The maximum number of CP HOLDRS that could be issued and outstanding at any time, based on the number of CP Shares outstanding as of March 31, 2001, is approximately 314 million.

28. The following documents will be filed electronically through SEDAR on a SEDAR profile for "CP HOLDRS":

 (a) while it is used in connection with the issuance of CP HOLDRS, the HOLDRS Document as amended or supplemented from time to time to reflect any changes in the disclosure;

 (b) reports on Form 8-K filed with the United States Securities and Exchange Commission (or similar documents) with respect to CP HOLDRS filed quarterly or periodically if CP HOLDRS were subject to a major event;

 (c) within 140 days of December 31 of each year, an audited comparative Schedule of Shares Underlying CP HOLDRS (which includes total CP HOLDRS outstanding) and an audited comparative Schedule of Distributions Received by, Annual Fees Paid to and Expenses Deducted by the Depositary and Remittances to Holders of CP HOLDRS; and

 (d) in the event that the auditor who has been appointed to report on the schedules referred to in paragraph (c) above resigns or is terminated, the

 Reporting Package referred to in section 4.2 of National Policy 31 or in analogous provisions of any successor instrument.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Prospectus and Registration Requirements will not apply in respect of the Transaction and CP HOLDRS as long as:

 (a) Shareholders (or dealers who act on behalf of purchasers of CP HOLDRS) receive a HOLDRS document that contains:

  (i) substantially the same disclosure as in the HOLDRS Document provided to the Decision Makers;

  (ii) the covenant of Merrill Lynch set out in paragraph 26;

 (b) the Depositary shall only accept deposits of CP Shares during the Initial Deposit Period from registered dealers (acting for Shareholders); and

(c) holders of CP HOLDRS are entitled to receive, at any time, upon request and payment of a cancellation fee, their CP Securities; and

THE FURTHER DECISION of the Decision Maker in Ontario pursuant to sections 80(b) (iii) and 121(2) of the Act is that the Continuous Disclosure Requirements will not apply in respect of the Transaction and CP HOLDRS as long as the following documents are prepared and filed electronically through SEDAR on a SEDAR profile for "CP HOLDRS":

(a) while it is used in connection with the issuance of CP HOLDRS, the HOLDRS Document as amended or supplemented from time to time to reflect any changes in the disclosure;

(b) reports on Form 8-K filed with the United States Securities and Exchange Commission (or similar document) with respect to CP HOLDRS filed quarterly or periodically if CP HOLDRS were subject to a major event;

(c) within 140 days of December 31 of each year, an audited comparative Schedule of Shares Underlying CP HOLDRS (which includes total CP HOLDRS outstanding) and an audited comparative Schedule of Distributions Received by, Annual Fees Paid to and Expenses Deducted by the Depositary and Remittances to Holders of CP HOLDRS substantially in the form attached to the Deposit Agreement; and

(d) in the event that the auditor who has been appointed to report on the schedules referred to in paragraph (c) above resigns or is terminated, the Reporting Package referred to in section 4.2 of National Policy 31 or in analogous provisions of any successor instrument.

August 15, 2001.

"Paul Moore" "R. Stephen Paddon"

AND THE FURTHER DECISION of the Decision Maker in Ontario pursuant to section 5.1 of Rule 51-501 and section 7.1 of NI 13-101 is that:

1. the AIF and MD&A Requirements will not will not apply in respect of the Transaction and CP HOLDRS as long as the following documents are prepared and filed electronically through SEDAR on a SEDAR profile for "CP HOLDRS":

   (a) while it is used in connection with the issuance of CP HOLDRS, the HOLDRS Document as amended or supplemented from time to time to reflect any changes in the disclosure;

   (b) reports on Form 8-K filed with the United States Securities and Exchange Commission (or similar document) with respect to CP HOLDRS filed quarterly or periodically if CP HOLDRS were subject to a major event;

   (c) within 140 days of December 31 of each year, an audited comparative Schedule of Shares Underlying CP HOLDRS (which includes total CP HOLDRS outstanding) and an audited comparative Schedule of Distributions Received by, Annual Fees Paid to and Expenses Deducted by the Depositary and Remittances to Holders of CP HOLDRS substantially in the form attached to the Deposit Agreement; and

   (d) in the event that the auditor who has been appointed to report on the schedules referred to in paragraph (c) above resigns or is terminated, the Reporting Package referred to in section 4.2 of National Policy 31 or in analogous provisions of any successor instrument; and

2. the HOLDRS Document, documents contemplated herein (including the documents identified above) and other documents relating to CP HOLDRS may be filed in electronic form through SEDAR.

"John Hughes"

2.1.6 Balanced Growth Portfolio et al. - MRRS Decision

Headnote

Exemptions from the mutual fund self-dealing prohibitions of clause 111(2)(a), subsection 111(3) and section 112 of the *Securities Act* (Ontario) to allow certain mutual funds to invest in issuers who are substantial security holders of the mutual funds' distribution companies.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c.S.5, as am., 111(2)(a), 111(3) and 112.

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

AND

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

AND

IN THE MATTER OF BALANCED GROWTH PORTFOLIO BALANCED INCOME PORTFOLIO LONG-TERM GROWTH PORTFOLIO

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application (the "Application") from Frank Russell Canada Limited ("FRC") on behalf of Balanced Growth Portfolio, Balanced Income Portfolio and Long-term Growth Portfolio (the "Funds") for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") exempting the Funds from the provisions prohibiting a mutual fund from knowingly making and holding an investment in any person or company who is a substantial security holder of its distribution company (the "Investment Prohibition").

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

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

1. FRC is a corporation established under the laws of Canada with its head office in Toronto, Ontario. FRC is the manager and trustee of the Funds.

2. The sole shareholder of FRC is Frank Russell Company (the "Parent") who is registered as an investment adviser with the Securities Exchange Commission ("SEC") and the State of Washington, as a commodity trading adviser and commodity pool operator with the National Futures Association on behalf of the Commodity Futures Trading Commission, and as a Commodity Trading Manager - Non-Resident with the Ontario Securities Commission.

3. The Funds are open-ended investment trusts established under the laws of the Province of Ontario. Each Fund is a reporting issuer in each of the provinces and territories of Canada where Class B units (the "Units") of the Fund are sold pursuant to a prospectus accepted by the decision maker in such jurisdictions. Each Fund is not in default of any requirement of the Legislation.

4. The Funds invest in units of Russell Canadian Equity Fund, Russell Canadian Fixed Income Fund, Russell US Equity Fund and Russell Overseas Equity Fund (the "Underlying Funds") as disclosed in their prospectus. FRC is responsible for monitoring the Funds' investments in the Underlying Funds and rebalancing the Funds' weightings in the Underlying Funds as necessary.

5. Except to the extent evidenced by this Decision and specific approvals granted by the Canadian securities administrators pursuant to National Instrument 81-102, the investments by the Funds have been structured to comply with the investment restrictions of the Legislation and National Instrument 81-102.

6. Units of the Funds are offered for sale to investors by RBC Dominion Securities Inc. (the "Dealer"), as distributor under the terms of a distributorship agreement with FRC dated August 4, 2000.

7. The Dealer is a registered investment dealer and a member of The Toronto Stock Exchange (the "TSE").

8. The Dealer is a subsidiary of the Royal Bank of Canada ("RBC"), a publicly listed Canadian chartered bank.

9. In addition to the distributorship agreement with the Dealer, FRC intends to enter into distributorship agreements for the sale of Units of the Funds with other registered investment dealers that have a publicly traded company as a substantial security holder (upon entering into such agreement with FRC, such dealer is referred to as an "Other Dealer" and such substantial security holder as an "Other Listed ParentCo").

10. Although FRC is the adviser for the Underlying Funds, neither FRC nor the Parent engages in the stock selection for the Underlying Funds or purchases or sells securities for the Underlying Funds, except as described in paragraphs 11 and 12 below. It is the practice of FRC to appoint and monitor various sub-advisers (the "Portfolio Advisers") who have the discretion to make the stock selections for the Underlying Funds. Neither FRC nor the Parent influences the decisions of the Portfolio Advisers as to

the purchase or sale of specific securities or securities of a specific issuer or class or group of issuers. With the exception of the Parent, the Portfolio Advisers are not affiliates or associates of FRC and act on an arm's length basis with FRC.

11. Despite the statements in paragraph 10 above, FRC does provide advice respecting the purchase and sale of securities of the Underlying Funds with respect to Nortel Networks Corporation or any other issuer whose weighting exceeds 10% of the TSE Composite 300 Index. In addition, the Parent provides advice to the Funds and the Underlying Funds with respect to the purchase and sale of index future contracts (together the "FRC Investments").

12. If at any time a Portfolio Adviser of an Underlying Fund resigns or is removed, FRC may make the investment decisions for such Underlying Fund that are within the mandate of the former Portfolio Adviser until the earlier of:

    (a) the date when FRC appoints a replacement Portfolio Adviser for the Underlying Fund; and

    (b) 60 days from the resignation or removal of the former Portfolio Adviser.

13. By employing a combination of qualitative and quantitative measurements, FRC selects the Portfolio Advisers which it believes have consistent ability to achieve superior results within specific asset classes and investment styles.

14. Each Portfolio Adviser has complete discretion to purchase and sell securities for its segment of the portfolio of an Underlying Fund, subject only to the Underlying Fund's investment objective, policies and restrictions. The Underlying Funds currently hold securities of RBC and of issuers that may become an Other Listed ParentCo.

15. On August 10, 2000, the Funds obtained a decision (the "Previous Decision") from the Jurisdictions permitting them to invest in the Underlying Funds and to knowingly make and hold an investment in a person or company who is a substantial security holder of the Dealer, subject to certain conditions. This allowed the Funds to invest in an Underlying Fund even if the Underlying Fund makes or holds an investment in RBC.

16. In the absence of this Decision, a Fund is prohibited by the Legislation from knowingly making and holding an investment in a person or company who is a substantial security holder of the Other Dealers. In the absence of this Decision, a Fund cannot invest in an Underlying Fund if the Underlying Fund makes or holds an investment in a person or company who is a substantial security holder of the Other Dealers.

17. The investment by the Funds in the Underlying Funds and the investment by the Underlying Funds in the securities of RBC or an Other Listed ParentCo (each an "Issuer") represents the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Funds or the Underlying Funds.

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

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

THE DECISION of the Decision Makers pursuant to the Legislation is that the Investment Prohibition does not apply so as to prohibit the Funds, through their investment in the Underlying Funds, from knowingly making or holding an investment in an Issuer,

AND IT IS FURTHER DECIDED THAT the Previous Decision is varied by this Decision only as it relates to the investment by the Funds in an Underlying Fund that invests in securities of RBC,

PROVIDED THAT the Decision shall only apply if at the time a Fund makes or holds an investment in an Issuer the following conditions are satisfied:

(a) no affiliate or associate of the applicable Issuer acts as a Portfolio Adviser for the Underlying Fund with respect to such investment;

(b) no affiliate or associate of, or any person acting on a non-arm's length basis with, the Dealer or Other Dealers acts as a Portfolio Adviser for the Underlying Fund with respect to such investment;

(c) FRC is not associated, affiliated or acting on a non-arm's length basis with the Dealer or Other Dealers, or any of their respective affiliates or associates, with respect to such investment;

(d) the Portfolio Advisers are not associates or affiliates of FRC and act at arm's length with FRC;

(e) none of FRC, the Parent or any of their respective affiliates, associates or substantial security holders in fact influences or has taken any action to influence any investment decision of a Portfolio Adviser (other than the Parent) of the Underlying Fund with respect to the purchase, sale or holding of any securtties of an Issuer except for the FRC Investments;

(f) there is no agreement, arrangement or understanding in effect that would enable the Dealer or any Other Dealer, or their respective affiliates or associates, to influence any investment decision of any Portfolio Adviser of the Underlying Fund;

(g) none of FRC, the Parent or any of their respective affiliates, associates or substantial security holders makes or participates in making

any investment decision with respect to the purchase, sale or holding by the Underlying Fund of any securities of an Issuer with the exception of:

(i) the FRC Investments; and

(ii) the investment decisions made by FRC for the Underlying Fund in the circumstances described in paragraph 12 above, except that no such decision shall involve the purchase of securities of an Issuer;

(h) the simplified prospectus of the Fund contains disclosure as to:

(i) all of the terms and conditions of this Decision;

(ii) the holdings of the Funds, through the Underlying Funds, and the aggregate yearly purchases or sales by the Underlying Funds of securities of any Issuer and that FRC has determined that such investments and holdings satisfy the conditions of this Decision;

(iii) the issuing of a press release when any change is made to a Portfolio Adviser;

(iv) the website where a current list of Portfolio Advisers can be obtained;

(v) the sending of quarterly updates to all unitholders which describe any Portfolio Adviser changes which have been made; and

(vi) the ability of unitholders to receive a current list of Portfolio Advisers upon request, including how such requests can be made; and

(i) the Fund files an amendment to its simplified prospectus within 10 days after a Portfolio Adviser is replaced by a new Portfolio Adviser or FRC hires an additional Portfolio Adviser, naming the replacement or additional Portfolio Adviser, if such new or additional Portfolio Adviser is an associate or affiliate of the Dealer or any Other Dealer.

August 16, 2001.

"Paul Moore" "R. Stephen Paddon"

2.1.7 Premdor Inc. et al. - MRRS Decision

Headnote

MRRS - 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.R.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 ONTARIO, ALBERTA, QUEBEC AND NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF BMO NESBITT BURNS INC., TD SECURITIES INC., SCOTIA CAPITAL INC.

AND

PREMDOR INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta, Quebec and Newfoundland (the "Jurisdictions") has received an application from BMO Nesbitt Burns Inc., TD Securities Inc. and Scotia Capital Inc. (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 by means of a prospectus, where the issuer is, in connection with the distribution, 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 common shares (the "Offered Securities") of Premdor Inc. (the "Corporation").

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. Each Filer is a registrant under the *Securities Act* (Ontario) (the "Act") in the categories of "investment dealer" and "broker" and is not in default of any of its terms or registration.

2. The head office of each Filer is in Toronto, Ontario.

3. The Corporation is a corporation formed under the *Business Corporations Act* (Ontario) on December 31, 1992.

4. The Corporation is one of the world's largest manufacturers and merchandisers of doors for new residential construction, home repair, renovation, remodelling and commercial use.

5. The common shares of the Corporation are listed on The Toronto Stock Exchange and the New York Stock Exchange.

6. The Corporation has a market capitalization of approximately $600 million.

7. The Corporation is a reporting Corporation under the Legislation and is not in default of any requirements of the Legislation.

8. The Corporation filed a preliminary, short form prospectus dated July 23, 2001 in the jurisdictions.

9. BMO Nesbitt Burns Inc. is proposing to act as lead underwriter and will underwrite 30.77% of the Offering.

10. The proportionate share of the Offering to be underwritten by each of the underwriters is currently expected to be as follows:

BMO Nesbitt Burns Inc.	30.77%
National Bank Financial Inc.	15.38%
CIBC World Markets Inc.	10.26%
Merrill Lynch Canada Inc.	10.26%
RBC Dominion Securities Inc.	10.26%
Scotia Capital Inc.	10.26%
TD Securities Inc.	10.26%
Paradigm Capital Inc.	2.55%

11. It is expected that the Corporation may issue securities having an aggregate principal amount of up to $100,100,000 under the Offering.

12. The Corporation has an outstanding credit facility (the "Credit Facility") that has been underwritten by a group of banks including Bank of Montreal, The Toronto-Dominion Bank and The Bank of Nova Scotia (collectively, the "Lenders"). In order to complete the acquisition of the shares of Masonite Corporation, the Corporation has concluded a commitment letter (the "Acquisition Financing Commitment Letter") with Bank of Montreal.

13. The Corporation is and has been in compliance with the terms of the Credit Facility and is not in financial difficulty.

14. The net proceeds of the Offering will be used to pay a portion of the purchase price for the shares of Masonite Corporation.

15. Bank of Montreal is the parent corporation of BMO Nesbitt Burns Inc. TD Securities Inc. is a wholly-owned subsidiary of The Toronto-Dominion Bank. Scotia Capital Inc. is a wholly-owned subsidiary of The Bank of Nova Scotia.

16. The nature of the relationship among the Corporation, the Lenders and the Filers will be described in the preliminary short form prospectus and the final short form prospectus.

17. The Lenders did not participate in the decision to make the Offering and will not participate in the determination of the terms of the distribution.

18. None of the Filers will benefit in any manner from the Offering other than by the payment of their fees in connection with the distribution.

19. By virtue of the Credit Facility and, in the case of BMO Nesbitt Burns Inc. the Acquisition Financing Commitment Letter, the Corporation may, in connection with the Offering, be considered a "connected issuer" (or the equivalent) of the Filers.

20. The Corporation is not a "related issuer" (or the equivalent) of the Filers.

21. The preliminary short form prospectus and the final short form prospectus will contain the information specified in Appendix "C" of proposed Multi-Jurisdictional Instrument 33-105 *Underwriting Conflicts* (the "Proposed Instrument"), on the basis that the Corporation is a "connected issuer" of the Filers as such term is defined in the Proposed Instrument.

22. The Corporation is in good financial condition and is not under any immediate financial pressure to proceed with the Offering and has not been requested or required by the Lenders to repay the amounts owing under the Credit Facility. The Corporation 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 (collectively, the "Decision");

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

THE DECISION of the Decision Makers, under the Legislation, is that, the Independent Underwriter Requirement

shall not apply to the Filers in connection with the Offering, provided that, at the time of the Offering:

A. the Corporation is not a "related issuer" (or the equivalent) of the Filers as defined in the Proposed Instrument; and

B. the Corporation is not a "specified party" as defined in the Proposed Instrument.

July 31, 2001.

"Paul Moore" "R.S. Paddon"

2.1.8 Novitas Energy Ltd. and Bonterra Energy Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the registration requirement under the Legislation to allow the issuance of securities under a prospectus by an issuer to shareholders, employees and consultants of its parent.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 35(1)(14), 74(1).

Applicable Ontario Rules

Ontario Securities Commission Rule 45-503 – Trades to Employees, Executives and Consultants.

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

AND

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

AND

IN THE MATTER OF NOVITAS ENERGY LTD. AND BONTERRA ENERGY CORP.

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan and Ontario (the "Jurisdictions") has received an application from Novitas Energy Ltd. ("Novitas") and Bonterra Energy Corp. ("Bonterra") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") exempting Novitas from the registration requirement under the Legislation (the "Registration Requirement") in respect of the issuance by Novitas of rights to acquire common shares of Novitas to the shareholders of Bonterra and in respect of the issuance by Novitas of common shares of Novitas to certain service providers of Novitas;

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** Novitas has represented to the Decision Makers that:

3.1 Novitas was incorporated under the *Business Corporations Act* (Alberta) (the "ABCA") on June 15, 2001;

3.2 Novitas' head office is located in Calgary, Alberta;

3.3 Novitas is not a reporting issuer under the Legislation;

3.4 Novitas is not in default of any of the requirements of the Legislation;

3.5 the authorized capital of Novitas consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of class B shares of which there are 10 Common Shares outstanding;

3.6 all of the outstanding Common Shares are held by Bonterra;

3.7 Novitas is seeking conditional approval for listing the Common Shares on the Canadian Venture Exchange (the "CDNX");

3.8 Bonterra was incorporated under the ABCA on February 17, 1998;

3.9 Bonterra's head office is located in Calgary, Alberta;

3.10 Bonterra holds certain interests in oil and gas properties in Western Canada;

3.11 Bonterra is a reporting issuer under the Legislation and became a reporting issuer in Alberta on May 29, 1998 by filing and receiving a receipt for a prospectus;

3.12 Bonterra is not in default of any of the requirements of the Legislation;

3.13 the authorized capital of Bonterra consists of an unlimited number of common shares (the "Bonterra Common Shares") of which there are 34,768,906 Bonterra Common Shares outstanding;

3.14 under an arrangement agreement (the "Arrangement") dated May 16, 2001 between Bonterra, Bonterra Acquisition Corp. ("AcquisitionCo"), a wholly owned subsidiary of Bonterra Energy Income Trust (the "Trust"), and the Trust:

3.14.1 AcquisitionCo acquired units of the Trust in exchange for units of AcquisitionCo on the basis of one AcquisitionCo unit for every Trust unit;

3.14.2 each AcquisitionCo unit consists of unsecured subordinated notes and one common share of AcquisitionCo; and

3.14.3 all of the Bonterra Common Shares were acquired by AcquisitionCo in exchange for units of the Trust on the basis of one unit for every four Bonterra Common Shares;

3.15 at an annual and special meeting of Bonterra shareholders held on June 25, 2001, the Bonterra shareholders approved the Arrangement;

3.16 the Bonterra Common Shares were delisted from the CDNX at the close of business on July 4, 2001;

3.17 the Trust units are listed and posted for trading on the CDNX;

3.18 Novitas was incorporated at the initiation of Bonterra to hold interests in oil and gas properties in Western Canada and for the purpose of facilitating a restructuring option for Bonterra to increase shareholder value;

3.19 all of the officers and directors of Novitas are also officers and directors of Bonterra;

3.20 under an agreement between Novitas and Bonterra dated June 15, 2001, Novitas purchased certain oil and gas properties (the "Novitas Properties") from Bonterra;

3.21 the Novitas Properties:

3.21.1 had been owned and operated by Bonterra since 1998;

3.21.2 are comprised of four wells, two water injection wells and two wells that currently produce oil and associated hydrocarbons; and

3.21.3 are identical to the majority of the remaining properties owned and operated by Bonterra in terms of production history, revenue, reserve life, operatorship, risk, type of hydrocarbons, netbacks, lifting costs and decline rates;

3.22 at the time of Bonterra's incorporation, Bonterra and Comstate Resources Ltd. ("Comstate") entered into a management agreement under which Bonterra and Comstate agreed that Comstate employees (the "Employees") and consultants (the "Consultants") would operate and administer the affairs of Bonterra;

3.23 on June 15, 2001, Novitas and Comstate entered into a management agreement under which Novitas and Comstate agreed that the Employees and Consultants would operate and administer the affairs of Novitas;

3.24 Comstate, through the Employees and the Consultants, currently operates and administers the affairs of Bonterra and Novitas;

3.25 Novitas has filed a preliminary long form prospectus (the "Prospectus") under which Novitas intends to:

3.25.1 offer rights (the "Rights") to acquire Common Shares to Bonterra shareholders of record as of June 26, 2001 (the "Eligible Shareholders"); and

3.25.2 qualify for distribution an aggregate maximum of 4,000,000 Common Shares available for subscription to certain of the Employees (the "Eligible Employees"), the Consultants (the "Eligible Consultants") and the directors and officers of Novitas;

3.26 there are 8 Eligible Employees, 4 Eligible Consultants and approximately 625 Eligible Shareholders;

3.27 all of the Eligible Employees and the Eligible Consultants are resident in Alberta;

3.28 the Prospectus will:

3.28.1 disclose the risks associated with Novitas' operations, lack of history and immediate prospects; and

3.28.2 include an independent engineering report by Sproule Associates Limited regarding the Novitas Properties;

3.29 the Eligible Employees, Eligible Consultants and the number of Common Shares to be offered to the Eligible Employees and Eligible Consultants consists of:

Name of Eligible Consultant	***Number of Common Shares***
Steve Safonovich - Engineering and Operations Consultant	500,000
Roy Varty - Engineer Consultant	100,000
Gary Skinner - Maintenance and Constructions Consultant	10,000
Bob Gaskell - Production Accountant Consultant	20,000
Total	630,000

Name of Eligible Employee	***Number of Common Shares***
Bernie Dumanowski - Engineer	85,000
Byron Nodwell - Geologist	30,000
Danny Botterill - Field Supervisor	65,000
Karen Bartek - Drayton Office Assistant	20,000
Marlayne Dahlgren - Drayton Office Assistant	40,000
Harjeet Judgev - Accountant	20,000
Kathy Janzen - Accountant	10,000
Shelley Lunz - Receptionist	5,000
Total	*275,000*

3.30 the Eligible Consultants spend, and have spent, a significant amount of time and attention on the business and affairs of Bonterra and Novitas and have a relationship with Bonterra and Novitas that enables them to be knowledgeable concerning the business and affairs of Bonterra and Novitas;

3.31 none of the Eligible Consultants are involved in investor relations;

3.32 the Eligible Consultants and Eligible Employees will not be induced to purchase, directly or indirectly, the Common Shares by expectation of employment, appointment, engagement or continued employment, appointment or engagement as a consultant of, or as an employee of, Comstate;

3.33 the Rights will:

3.33.1 only be offered to the Eligible Shareholders;

3.33.2 be issued on a one for one basis with no stand-by or additional subscription privilege;

3.33.3 be issued for no consideration;

3.33.4 entitle the holder to subscribe for one Common Share at a price of $0.15 per share;

3.33.5 be non-transferable; and

3.33.6 not be listed for trading;

3.34 the Eligible Shareholders exercising the Rights will have full civil and statutory rights of action against Novitas and against Bonterra (in its capacity as a promoter);

3.35 Novitas may rely on an exemption under the Legislation from the Registration Requirement regarding the proposed issuance of the Common Shares to the senior officers and directors under the Prospectus;

3.36 there are no exemptions under the Legislation from the Registration Requirement available to Novitas regarding the proposed issuance of the Common Shares to the Eligible Employees under the Prospectus; and

3.37 there are no exemptions under the Legislation from the Registration Requirement available to Novitas regarding the proposed issuance of the Rights to the Eligible Shareholders under the Prospectus;

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. **AND WHEREAS** the Decision of the Decision Makers under the Legislation is that the Registration Requirement shall not apply to the issuance by Novitas of the:

6.1 Rights to acquire Common Shares of Novitas to the Eligible Shareholders; and

6.2 Common Shares to the Eligible Consultants and the Eligible Employees.

August 10, 2001.

"Glenda A. Campbell" "Eric T. Spink"

2.1.9 Max Re Capital Ltd. - MRRS Decision

Headnote

Subsection 74(1) - issuance of shares to certain Ontario residents by non-reporting issuer in connection with its U.S. public offering exempt from section 53 of the Act - first trade is a distribution unless made through the facilities of an exchange outside of Canada or on the NASDAQ.

Statutes Cited

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

Rules Cited

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

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND ALBERTA

AND

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

AND

IN THE MATTER OF
MAX RE CAPITAL LTD.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker", and collectively, the "Decision Makers") in each of Alberta and Ontario (collectively, the "Jurisdictions") has received an application from Max Re Capital Ltd. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") shall not apply to certain trades in shares of common stock (the "Shares") to and by relatives and business associates of Max Re residing in the Jurisdictions (the "Canadian Participants");

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

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

1. The Filer is a corporation incorporated under the laws of Bermuda with its principal executive offices located at Ascot House, 28 Queen Street, Hamilton, Bermuda HM 11.

2. The Filer is not, and has no present intention of becoming a reporting issuer or the equivalent under the Legislation of the Jurisdictions;

3. The Filer will be completing an initial public offering (the "Offering") in the United States and has filed a registration statement on Form S-1, as amended (the "Preliminary Prospectus");

4. The Filer proposes to offer 14,285,000 Shares under the Offering.

5. Upon completion of the Offering, the Shares will be listed on the Nasdaq National Market ("NASDAQ").

6. The Offering is being made available in the Jurisdictions to relatives or close friends of officers and directors of the Filer and to business associates of the Filer.

7. There are eleven (11) Canadian Participants in Ontario and two (2) Canadian Participants in Alberta.

8. Up to 5% of the Shares offered under the Offering will be offered and sold to the Canadian Participants by RBC Dominion Securities Inc., a dealer registered pursuant to the Legislation.

9. The Shares will be offered to the Canadian Participants at a price equal to the price of the Shares offered to the public in connection with the Offering.

10. Participation in the Offering is voluntary and a copy of the Preliminary Prospectus and final prospectus (prepared in accordance with U.S. securities laws) will be forwarded to each Canadian Participant who chooses to participate in the Offering.

11. After giving effect to the Offering, the aggregate number of Shares held by the Canadian Participants will be less than 10% of the issued and outstanding shares of the Filer and the number of registered Canadian residents holding Shares will not be more than 10% of the total number of holders of issued and outstanding Shares of the Filer.

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

13. The annual reports, proxy materials and other materials generally distributed to the Filer's shareholders resident in the United States will be provided to the Canadian Participants at the same time and in the same manner as the documents would be provided to United States resident shareholders.

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

AND WHEREAS under 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 which provides the Decision Maker with the jurisdiction to make the Decision has been met;

IT IS RULED that:

The Prospectus Requirements shall not apply to the Filer for trades in Shares to or with the Canadian Participants pursuant to the Offering, provided that the first trade of Shares acquired by a Canadian Participant pursuant to this decision shall be deemed a distribution unless such trade is made through the facilities of an exchange outside of Canada or on the NASDAQ.

August 15, 2001.

"John A. Geller" "R. Stephen Paddon"

2.1.10 Minegem Inc. - MRRS Decision

Headnote

Mutual Reliance Review System - National Instrument 43-101. Relief granted from requirement in section 2.2(a) to permit issuer to make disclosure in accordance with South African code for Reporting of Mineral Resources and Mineral Reserves - Relief subject to condition that disclosure reconciled to mineral resource and reserve category set out in section 1.3 and 1.4

Rules Cited

National Instrument 43-101. Standard of Disclosure for Mineral Projects ss 9.1 and 2.2(a).

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ABERTA, BRITISH COLUMBIA AND
ONTARIO

AND

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

AND

IN THE MATTER OF
MINEGEM INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia and Ontario, (the "Jurisdictions") has received an application (the "Application") from MineGem Inc. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Filer be exempt from section 2.2 (a) of National Instrument 43-101 ("NI 43-101") in connection with certain disclosure to be contained in the Filer's annual information form, technical report, and a press release in respect of a property material to the Filer;

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

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

1. The Filer was incorporated as Whisper Lake Resources Inc. under the laws of the Province of Ontario by Articles of Incorporation effective January 27, 1988. On December 19, 1996, the Filer was reorganized and its name was changed to Messina Diamond Corporation. Pursuant to Articles of Amendment dated July 10, 2000, the Filer changed its name to MineGem Inc.

2. The authorized capital of the Filer consists of an unlimited number of common shares of which 42,464,968 common shares (the "Common Shares"). were issued and outstanding as at May 18, 2001.

3. The Common Shares are listed on the Canadian Venture Exchange under the symbol "YGL".

4. As of the date hereof, the Filer is a reporting issuer in each of Ontario, British Columbia and Alberta and is not on the list of defaulting issuers maintained by the securities regulatory authorities of such jurisdictions.

5. The Filer is engaged in the business of mineral exploration and development and is subject to NI 43-101.

6. The Filer is currently preparing for filing an annual information form in respect of the year ended December 31, 2000 (the "AIF") in which it will disclose information respecting a mineral project of the Filer located in Lesotho, Southern Africa referred to as the Liqhobong Satellite Pipe Mine (the "Liqhobong Mine"). The Filer further intends to disseminate a press release disclosing a summary of such information following the filing of the AIF (the "Liqhobong Press Release"). The Filer is also currently preparing a technical report to be filed in support of information contained in the AIF and the Liqhobong Press Release (the "Technical Report").

7. The Liqhobong Mine is a mining project material to the Filer.

8. A feasibility study in respect of the Liqhobong Mine was completed by Bateman Engineering Limited ("Bateman") and Steffen, Robinson & Kirsten Inc. ("SRK") (the "Feasibility Study").

9. The Feasibility Study complies with the South African Code for Reporting of Mineral Resources and Mineral Reserves (the "SAMREC Code"). The SAMREC Code became effective March 2000, and was prepared by the South African Mineral Resource Committee ("SAMREC") under the auspices of a South African Institute of Mining and Metallurgy.

10. The Filer engaged Velasquez Spring of Watts, Griffis, and McOuat Limited ("Spring") to prepare a reconciliation of the Feasibility Study to the mineral resource and reserve categories set out in sections 1.3 and 1.4 of NI 43-101(the "Spring Reconciliation").

11. Spring is a "qualified person" as such term is defined in NI 43-101.

12. The Spring Reconciliation includes an explanation of the definitions prescribed by the SAMREC Code and the opinion of Spring that the definitions for indicated resources, inferred resources, and probable reserves are identical in effect to the definitions in the CIM Standards on Mineral Resources and Reserves Definitions and Guidelines adopted by the CIM Council on August 20, 2000 (the "CIM Standards").

13. The SAMREC Code further includes a "checklist of assessment and reporting criteria for diamonds" (See Appendix II to the SAMREC Code), which includes sections for the "reporting of diamond resources" and for "reporting of diamond reserves". This checklist is very similar in content and scope to the guidelines which accompany the CIM Standards, but is specifically directed at the evaluation and reporting of diamond deposits.

14. The SAMREC Code specifically allows for the use of terms appropriate to the diamond industry including "diamond reserves" and "diamond resources" where the word "diamond" is used in place of the word "mineral". In following the requirements of the SAMREC Code, Bateman/SRK were required to use terms such as "indicated diamond resource" and "inferred diamond resource", rather than "indicated mineral resource" and "inferred mineral resource" as required by Section 1.3 of NI 43-101. Similar terms to the ones used by Bateman/SRK are used under the SAMREC Code for reserves, for example "probable diamond reserve" as a replacement for "probable mineral reserves".

15. The SAMREC Code contains definitions and standards comparable to definitions and standards which are recognized by NI 43-101.

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

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

THE DECISION of the Decision Makers under the Legislation is that section 2.2(a) of NI 43-101 shall not apply to the Filer in connection with the disclosure in the AIF, the Technical Report, and the Liqhobong Press Release of the resources and the reserves of the Liqhobong Mine prepared in accordance with SAMREC provided that:

(i) the disclosure of the resources and reserves of the Liqhobong Mine in the AIF and the Liqhobong Press Release includes a summary of the Spring Reconciliation, a cautionary statement to the effect that the resources and reserves have not been prepared in accordance with the definitions of mineral resources and mineral reserves in NI 43-101, and a reference to this Decision; and

(ii) the Spring Reconciliation is certified by Velasquez Spring and filed with the Technical Report.

August 17, 2001.

"Kathy Soden"

2.1.11 Glacier Ventures International Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Offeror proposes to make a take-over bid for 45% of the issued and outstanding common shares of the offeree in exchange for, at the holder's option, cash, shares of the offeror or a combination thereof - The Offeror does not propose to qualify shares for distribution in the US - Shareholder list discloses 72 US shareholders holding approximately 0.74% of the outstanding common shares - Offeror proposes that US shareholders be limited to the cash option - Relief granted from the requirement that identical consideration be offered to all shareholders of the same class insofar as the US shareholders receive the cash option.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 97(1) and 104(2)(c).

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

AND

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

AND

IN THE MATTER OF
GLACIER VENTURES INTERNATIONAL CORP.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Ontario and Québec (the "Jurisdictions") has received an application from Glacier Ventures International Corp. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to offer holders of the same class of securities identical consideration (the "Identical Consideration Requirement"), shall not apply in connection with the Filer's offer (the "Take-over Bid") to purchase 3,641,166, or 45%, of the issued and outstanding common shares (the "Hawker Shares") of Hawker Siddeley Canada Inc. (the "Target"), insofar as it relates to the consideration offered to the Target's shareholders resident in the United States of America (the "U.S. Shareholders");

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

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

1. the Filer is a company amalgamated under the *Canada Business Corporations Act* (the "CBCA") with its head office in Vancouver, British Columbia;

2. the Filer is a reporting issuer under the securities legislation in each of British Columbia, Alberta and Ontario and is not in default of any requirement of such legislation;

3. the Filer's shares (the "Glacier Shares") are listed on The Toronto Stock Exchange (the "TSE");

4. the Target is a corporation incorporated by letters patent under the laws of Canada and continued under the CBCA;

5. the Target is a reporting issuer or the equivalent under the securities legislation in each province of Canada;

6. the Hawker Shares are listed on the TSE;

7. under the terms of the Take-over Bid, commenced by the Filer on July 12, 2001, the Filer offered to acquire 3,641,166 Hawker Shares for either 0.57 Glacier Shares for every one Hawker Share (the "Share Alternative") or $0.69 cash for every one Hawker Share (the "Cash Alternative"); a Target shareholder may also elect to receive a combination of Glacier Shares and cash (the "Combination Alternative") for their Hawker Shares;

8. as the Glacier Shares issuable under the Take-over Bid to U.S. Shareholders have not been and will not be registered or otherwise qualified for distribution under the *Securities Act of 1933* of the United States of America (the "1933 Act"), the delivery of Glacier Shares to U.S. Shareholders without further action by the Filer may constitute a violation of the laws of the United States of America;

9. the exemption from registration in Rule 802 of the 1933 Act requires that U.S. holders be offered terms at least as favourable as those offered to other holders, but if the laws of the state where an individual U.S. holder resides requires offered shares to be registered or qualified, Rule 802 permits an issuer to offer only the same cash alternative to all U.S. holders;

10. the registration or qualification exemptions under the securities legislation of the various states of the United States of America either do not exempt the delivery of Glacier Shares to the U.S. Shareholders or else require the Glacier Shares to be restricted, therefore, U.S. Shareholders cannot receive Glacier Shares on terms as favourable as those offered to Canadian shareholders;

11. to the knowledge of the Filer, based on the list of shareholders of the Target, there are 73 registered U.S. Shareholders collectively holding approximately 0.74% of the Hawker Shares;

12. the maximum number of Glacier Shares that could have been issued to U.S. Shareholders under the Take-over Bid is 34,172 shares;

13. in light of the fact that Glacier Shares will not be registered or otherwise qualified for distribution in the United States of America, the Filer will offer only the Cash Alternative to the U.S. Shareholders who tender their Hawker Shares under the terms of the Take-over Bid; and

14. the Take-over Bid is being made in compliance with the Legislation of the Jurisdictions, except to the extent that exemptive relief is granted in respect of the Identical Consideration Requirement;

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

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

THE DECISION of the Decision Makers under the Legislation is that, in connection with the Take-over Bid, the Filer is exempt from the Identical Consideration Requirement insofar as the U.S. Shareholders who tender their Hawker Shares under the terms of the Take-over Bid will be offered only the Cash Alternative.

August 13, 2001.

"Derek E. Patterson"

2.1.12 Willbros Group, Inc. and MSI Energy Services Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from the prohibition on collateral agreements in connection with employment agreements and a subscription agreement to be made in connection with a cash take-over bid - relief from the registration and prospectus requirements in connection with trades in offeror's shares made under the subscription agreement.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 53, 74(1), 97(2), and 104(2)(a).

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

AND

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

AND

**IN THE MATTER OF
WILLBROS GROUP, INC. AND
MSI ENERGY SERVICES INC.**

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta and Ontario (the "Jurisdictions") has received an application from Willbros Group, Inc. ("Willbros") and MSI Energy Services Inc. ("MSI") for a decision pursuant to the securities legislation of each of the Jurisdictions (the "Legislation"):

   1.1 that in connection with Willbros's offer to purchase all of the issued and outstanding common shares of MSI ("MSI Shares") and all of the issued and outstanding class C shares of MSI ("MSI Class C Shares"), certain agreements (described herein and defined as the "Subscription Agreement" and the "Employment Agreements") have been made or will be made with certain MSI shareholders for reasons other than to increase the value of the consideration paid to such persons and may be entered into despite the provision in the Legislation that prohibits an offeror who makes or intends to make a take-over bid and any person acting jointly or in concert with the offeror from entering into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner a consideration of greater value than that offered to other holders of the same class of securities (the "Prohibition on Collateral Agreements"); and

   1.2 exempting the issuance of common shares of Willbros ("Willbros Shares") to certain persons pursuant to the Subscription Agreement from the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary prospectus and a prospectus in respect of such securities (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** Willbros and MSI have represented to the Decision Makers that:

   3.1 Willbros is a corporation governed by the laws of the Republic of Panama;

   3.2 Willbros's head office is located in the Republic of Panama;

   3.3 as of May 31, 2001, there were 14,392,392 Willbros Shares issued and outstanding;

   3.4 the Willbros Shares are listed for trading on The New York Stock Exchange;

   3.5 Willbros is not a reporting issuer in Alberta or in any other province of Canada, and has no present intention of becoming a reporting issuer in any such jurisdiction and no securities of Willbros are listed or posted for trading on any stock exchange in Canada;

   3.6 MSI is a corporation governed by the *Business Corporations Act* (Alberta);

   3.7 MSI's head office is located in Fort McMurray, Alberta;

   3.8 the authorized capital of MSI consists of an unlimited number of MSI Shares and 6,100,000 MSI Class C Shares of which 11,686,888 MSI Shares (or 12,711,888 MSI Shares on a fully diluted basis) and 6,100,000 MSI Class C Shares are issued and outstanding;

   3.9 the MSI Class C Shares are non-voting, convertible shares held by certain partners, or affiliates of partners, of the Colt Companies, an Alberta Partnership;

   3.10 the MSI Shares are listed for trading on The Canadian Venture Exchange;

   3.11 MSI is a reporting issuer in the provinces of Alberta and British Columbia;

3.12 MSI is closely held with 78.6% of the outstanding MSI Shares (calculated on a fully diluted basis) held, directly or indirectly, by seven shareholders (being the Management Shareholders, as defined below) and 86.0% of the outstanding MSI Shares (calculated on a fully diluted basis) held, directly or indirectly, by twelve shareholders (being the Management Shareholders together with the Management Affiliate Shareholders, as defined below);

3.13 pursuant to the terms of an acquisition agreement dated July 10, 2001 between Willbros and MSI (the "Acquisition Agreement"), Willbros agreed, subject to the satisfaction of certain conditions, to make a cash take-over bid for all of the 11,686,888 outstanding MSI Shares, an additional 1,025,000 MSI Shares issuable upon the exercise of stock options, and all 6,100,000 outstanding MSI Class C Shares (the "Offer");

3.14 the MSI Shares are thinly traded with trades occurring on only 3 days between June 1, 2001 and July 10, 2001, being the date of public announcement of the Offer, with aggregate trading during such period of 3,350 MSI Shares;

3.15 pursuant to the Acquisition Agreement, Willbros is required to mail a take-over bid circular to all holders of MSI Shares and MSI Class C Shares on or before August 16, 2001;

3.16 under the Offer, $0.95 will be offered for each MSI Share and $0.05 for each MSI Class C Share;

3.17 Willbros and certain of its subsidiaries are parties to a credit agreement dated February 20, 1997, as amended (the "Credit Agreement"), with a syndicate of nine banks (the "Bank Lenders");

3.18 in order to fund the Offer pursuant to drawdowns under the Credit Agreement, Willbros was required by the terms of the Credit Agreement to obtain the consent of 66b% of the Bank Lenders;

3.19 pursuant to a consent agreement dated June 12, 2001, the Bank Lenders consented to Willbros funding the Offer, subject to the condition (the "Lenders' Condition") that the cash consideration paid by Willbros for MSI Shares and MSI Class C Shares in accordance with the Offer shall not exceed, in the aggregate, the lesser of:

3.19.1 U.S. $7.0 million, or

3.19.2 the sum of:

3.19.2.1 70% of the Offer price of MSI Shares and MSI Class C Shares owned by employees of MSI; plus

3.19.2.2 100% of the Offer price of MSI Shares and MSI Class C Shares owned by all other holders of such shares; plus

3.19.2.3 certain permitted adjustments;

subject, in any event, to the setting off against the above limits of the proceeds received by Willbros from the subscription for Willbros Shares by employees of MSI;

3.20 the Bank Lenders' imposition of the Lenders' Condition was expressly sought as a means of ensuring continuity of the Management Shareholders (as defined below) following Willbros' acquisition of MSI;

3.21 Willbros believes that certain employees, senior officers and directors of MSI have been instrumental in building MSI into a strong competitor in the Alberta specialty pipeline construction and pipeline integrity and maintenance services sector, including the following officers and employees of MSI, each of whom is resident in Alberta:

3.21.1 Garry A. McIvor, President and Chief Executive Officer;

3.21.2 Gwenne McIvor, Administrative Assistant;

3.21.3 Corey McIvor, Project Manager;

3.21.4 Craig McIvor, Planning and Administration;

3.21.5 Brad Maguire, Project Manager;

3.21.6 John Paul, Chief Financial Officer; and

3.21.7 Donald Undershute, Vice President Finance;

collectively, the "Management Shareholders");

3.22 MSI will enter into employment agreements negotiated by Willbros and MSI ("Employment Agreements") with the Management Shareholders pursuant to which each of the Management Shareholders will remain employed by MSI for a period of three years following completion of the Offer for aggregate salaries similar to the salaries otherwise to be paid to such persons by MSI in the 2001 fiscal year and in capacities corresponding to the responsibilities of each such person prior to the Offer;

3.23 the compensation paid to the Management Shareholders under the Employment Agreements will be consistent with compensation paid to persons occupying comparable positions within the industry;

3.24 pursuant to the Employment Agreements, Corey McIvor, Brad Maguire and Donald Undershute (the "Three Management Shareholders") will be entitled to annual salaries that, in aggregate, represent an increase of $19,731 relative to the aggregate salaries paid to such persons for the year prior to entering into the Employment Agreements;

3.25 the Employment Agreements will contain non-competition and non-solicitation provisions where applicable;

3.26 the Employment Agreements have been negotiated by Willbros on an arm's length basis, are on commercially reasonable terms and are consistent with current industry practice and Willbros' compensation arrangements for new executives;

3.27 Willbros would not have entered into the Acquisition Agreement if the Management Shareholders had not agreed to enter into the Employment Agreements;

3.28 the Management Shareholders and the following affiliated persons resident in Alberta:

3.28.1 Lori Maguire;

3.28.2 Jeannine Undershute;

3.28.3 Sharla Undershute;

3.28.4 Brett Undershute; and

3.28.5 Gregg Undershute,

collectively, the "Management Affiliate Shareholders"), or entities controlled by one or more such persons, will sign a subscription agreement (the "Subscription Agreement") pursuant to which each Management Shareholder and Management Affiliate Shareholder (collectively, the "Subscribers") will agree to purchase, directly or indirectly (including through the Management Shareholder's or Management Affiliated Shareholder's registered retirement savings plan and/or a holding corporation controlled by one or more of such persons), Willbros Shares in an amount equal to 30% of the aggregate cash consideration received by each of them, directly and indirectly, from Willbros pursuant to the Offer;

3.29 the Subscription Agreement will also provide that the Willbros Shares to be offered to Subscribers will be listed for trading on The New York Stock Exchange;

3.30 Willbros expects to offer the Willbros Shares to the Subscribers under a shelf registration statement and by means of a prospectus and prospectus supplement prepared thereunder and delivered to the Subscribers prior to the Subscribers executing and delivering the Subscription Agreement, at a subscription price (the "Subscription Price") equal to the Canadian dollar equivalent amount of U.S.$13.75 per share;

3.31 the Subscription Price is based on the average closing price of Willbros Shares during April 2001;

3.32 the maximum number of Willbros Shares to be issued pursuant to the Subscription Agreement will be approximately 149,600, representing approximately 1.04% of the presently issued and outstanding Willbros Shares;

3.33 each of the Management Shareholders will, at the time of consummating the acquisition of Willbros Shares, be an employee of MSI, which company will then be an affiliate of Willbros;

3.34 each certificate representing Willbros Shares to be issued to the Subscribers will bear a legend making appropriate reference to the terms, conditions and restrictions imposed on such shares;

3.35 Willbros intends to rely on exemptions under the Legislation from the Registration Requirement and the Prospectus Requirement for the initial trade and distribution of Willbros Shares to one of the Management Affiliate Shareholders, Ms. L. Maguire or to her registered retirement savings plan or a holding corporation controlled by Ms. L. Maguire (the "Maguire Trades");

3.36 Willbros intends to rely on exemptions under the Legislation rom the Registration Requirement and the Prospectus Requirement for the initial trade and distribution of Willbros Shares to each of the Management Shareholders or to a registered retirement savings plan ("the Management Trades");

3.37 there are no exemptions from the Registration Requirement or the Prospectus Requirement for the initial trade and distribution of Willbros Shares to a holding company controlled by a Management Shareholder individually or together with one or more other Management Shareholders (the "Management Holdco Trades");

3.38 there are no exemptions from the Registration Requirement or the Prospectus Requirement for the initial trade and distribution of Willbros Shares to the Management Affiliate Shareholders, except for Ms. L. Maquire, or to a registered retirement savings plan or to a holding company controlled by such Management Affiliate Shareholder individually or together with one or more other Management Affiliate Shareholders (the "Management Affiliate Trades");

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:

   6.1 the Employment Agreements entered into with the Three Management Shareholders (the "Three Employment Agreements") and the Subscription Agreement entered into with the Subscribers are being made for reasons other than to increase the value of the consideration to be paid to the Three Management Shareholders and the Subscribers for their MSI Shares and that the Three Employment Agreements and the Subscription Agreement may be entered into despite the Prohibition on Collateral Agreements;

   6.2 the Management Holdco Trades and the Management Affiliate Trades are exempt from the Registration Requirement and the Prospectus Requirement provided that the first trade in Willbros Shares acquired pursuant to the Management Affiliate Trades shall be a distribution unless such trades are executed through the facilities of a stock exchange outside Canada in accordance with the rules of such exchange; and

   6.3 first trades in Wilbros Shares acquired by Ms. L. Maquire pursuant to the Maguire Trades and by the Management Shareholders pursuant to the Management Trades shall be exempt from the Prospectus Requirement provided that such trades are executed through the facilities of a stock exchange outside Canada in accordance with the rules of such exchange.

August 14, 2001.

"Glenda A. Campbell" "James E. Allard"

2.1.13 Canadian Pacific Limited et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief under subsection 74(1) of the Act from the prospectus requirements to permit if, as and when issued trading through the facilities of the TSE and NYSE in securities of a senior issuer and of issuers created in connection with a statutory arrangement ("Newcos") by the senior issuer; under subsection 83.1(1) of the Act deeming the Newcos to be reporting issuers for the purposes of facilitating the when issued trading where the Newcos will become reporting issuers by virtue of their TSE listings following the arrangement and under subsection 104(2) of the Act from the early warning requirements on the condition that early warning reports are filed in certain circumstances.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 53, 74, 83.1(1), 102, 104(2)(c).

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

AND

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

AND

IN THE MATTER OF
CANADIAN PACIFIC LIMITED, CP SHIPS LIMITED,
CANADIAN PACIFIC RAILWAY LIMITED,
FORDING ARRANGEMENT INC.
AND PANCANADIAN ENERGY CORPORATION

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, the Northwest Territories, the Yukon and Nunavut (the "Jurisdictions") has received an application from from Canadian Pacific Limited ("CPL") for:

   1.1 a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file and obtain a receipt for a preliminary prospectus and prospectus (the "Prospectus Requirement")

shall not apply to trades on an if, as and when issued basis of common shares of certain issuers that have been created in contemplation of an arrangement involving CPL;

1.2 a decision under the Legislation in Alberta, Ontario, Nova Scotia, British Columbia, Québec and Saskatchewan deeming certain issuers that have been created in contemplation of an arrangement involving CPL to be reporting issuers or the equivalent under the Legislation in Alberta, Ontario, Nova Scotia, British Columbia, Québec and Saskatchewan; and

1.3 a decision under the Legislation in Alberta, Ontario, Nova Scotia, British Columbia, Québec and Saskatchewan with respect to certain issuers that have been created in contemplation of an arrangement involving CPL providing relief from the requirement under the Legislation that an offeror issue a news release, file a report and refrain from purchasing additional securities for a specified period of time when it acquires beneficial ownership of, or the power to exercise control or direction over, an aggregate of 10% or more of the outstanding securities of a class of voting or equity securities of a reporting issuer, or securities convertible into such securities, and at certain times thereafter (the "Early Warning Requirements");

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

3. **AND WHEREAS** CPL has represented to the Decision Makers that:

3.1 CPL is a corporation incorporated under the *Canada Business Corporations Act* (the "CBCA");

3.2 the head office of CPL is in Calgary, Alberta;

3.3 the authorized capital of CPL includes an unlimited number of common shares ("CPL Common Shares");

3.4 as of June 30, 2001, there were 316,342,807 CPL Common Shares outstanding;

3.5 the CPL Common Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE") and the New York Stock Exchange (the "NYSE");

3.6 CPL is a reporting issuer or the equivalent in each Jurisdiction where such a concept exists and has been for a period in excess of twelve months;

3.7 CPL is subject to the reporting requirements under the *Securities Exchange Act of 1934* in the United States of America;

3.8 CPL has business interests in five main areas consisting of shipping, railroads, hotels, coal and oil and gas;

3.9 CPL's shipping interests are primarily held and operated through CP Ships Holdings Inc. ("CP Ships");

3.10 CPL's railroad interests are primarily held and operated through Canadian Pacific Railway Company ("CP Rail");

3.11 CPL's hotel interests are primarily held and operated through Canadian Pacific Hotels & Resorts Inc. ("CP Hotels");

3.12 CPL's coal interests are primarily held and operated through Fording Inc. ("Fording");

3.13 CPL directly or indirectly holds all of the outstanding voting and equity securities of CP Ships, CP Rail, CP Hotels and Fording;

3.14 CPL's oil and gas interests are primarily held and operated through PanCanadian Petroleum Limited ("PanCanadian");

3.15 PanCanadian is a corporation incorporated under the CBCA;

3.16 the head office of PanCanadian is in Calgary, Alberta;

3.17 the authorized capital of PanCanadian includes an unlimited number of common shares ("PanCanadian Shares");

3.18 the PanCanadian Shares are listed and posted for trading on the TSE;

3.19 as of June 30, 2001, there were 256,097,292 PanCanadian Shares outstanding;

3.20 CPL indirectly holds 218,122,712 PanCanadian Shares, representing approximately 85% of the outstanding PanCanadian Shares;

3.21 CPL proposes to conduct an arrangement under the provisions of the CBCA (the "Arrangement");

3.22 the purpose of the Arrangement will be to transfer the businesses represented by CPL's interests in CP Ships, CP Rail, CP Hotels, Fording and PanCanadian to the holders of CPL Common Shares;

3.23 part of the net effect of the Arrangement will be that:

3.23.1 holders of CPL Common Shares will exchange them with CPL for a specified number of:

3.23.1.1 common shares ("New Ships Shares") of CP Ships Limited

("New Ships"), a corporation whose successor by short form amalgamation will hold all of the voting and equity securities of CP Ships following the Arrangement;

3.23.1.2 common shares ("New Rail Shares") of Canadian Pacific Railway Limited ("New Rail"), a corporation whose successor by short form amalgamation will hold all of the voting and equity securities of CP Rail following the Arrangement;

3.23.1.3 common shares ("New Coal Shares") of Fording Arrangement Inc. ("New Coal"), a corporation whose successor by short form amalgamation will hold all of the voting and equity securities of Fording following the Arrangement;

3.23.1.4 common shares ("New Oil Shares") of PanCanadian Energy Corporation ("New Oil"), a corporation whose successor by short form amalgamation will hold all of the voting and equity securities of PanCanadian following the Arrangement; and

3.23.1.5 common shares of CPL of a new class to be created in connection with the Arrangement ("New CPL Shares"), which corporation will continue to hold all of the outstanding voting and equity securities of CP Hotels following the Arrangement;

3.23.2 holders of PanCanadian Shares, other than CPL, will exchange them for a specified number of New Oil Shares;

3.24 the Arrangement is subject to the approval of the holders of CPL Common Shares and the Court of Queen's Bench of Alberta;

3.25 a special meeting of the holders of CPL Common Shares and the holders of certain other CPL securities (the "CPL Meeting") will be held on or about September 26, 2001 to approve the Arrangement;

3.26 an information circular (the "CPL Circular") prepared in accordance with the Legislation will be provided to the holders of CPL Common Shares and the holders of certain other CPL securities in connection with the CPL meeting;

3.27 the CPL Circular will contain prospectus level disclosure concerning the Arrangement, the assets and operations of CPL, CP Ships, CP Rail, CP Hotels, Fording and PanCanadian and the proposed assets and operations of New Ships, New Rail, New Coal and New Oil;

3.28 that portion of the Arrangement dealing with the exchange of PanCanadian Shares for New Oil Shares is subject to the approval of the holders of PanCanadian Shares. In the event that such approval is not obtained, holders of PanCanadian Shares will retain them, holders of CPL Common Shares will receive the specified number of New Oil Shares and New Oil will hold the PanCanadian Shares currently held by CPL;

3.29 a special meeting of the holders of PanCanadian Shares (the "PanCanadian Meeting") will be held on or about September 26, 2001 to approve that portion of the Arrangement dealing with the exchange of PanCanadian Shares for New Oil Shares;

3.30 an information circular (the "PanCanadian Circular") prepared in accordance with the Legislation will be provided to the holders of PanCanadian Shares in connection with the PanCanadian Meeting;

3.31 the PanCanadian Circular will contain prospectus level disclosure concerning that portion of the Arrangement dealing with the exchange of PanCanadian Shares for New Oil Shares, the assets and operations of PanCanadian and the proposed assets and operations of New Oil;

3.32 the completion of the Arrangement is conditional upon, among other things, the receipt of all necessary regulatory approvals, including the receipt of such exemptive relief as may be necessary under the Legislation to ensure that the New Ships Shares, New Rail Shares, New Coal Shares, New Oil Shares and New CPL Shares (collectively, the "New Shares") to be issued under the Arrangement are not subject to any hold period in any of the Jurisdictions;

3.33 if all necessary approvals of the Arrangement are obtained and all conditions to the Arrangement are satisfied, CPL anticipates that the Arrangement will become effective on or about October 1, 2001;

3.34 the TSE has granted conditional listing approval to the New Shares of each class to be issued under the Arrangement and the NYSE has cleared New Ships, New Rail, New Coal and New Oil to file original listing applications, with the listing of the New Shares to be subject to the fulfilment of the usual and customary conditions;

3.35 the TSE and NYSE have advised CPL that they intend to establish markets (the "When Issued Markets") to permit if, as and when issued trading of the New Shares of each class to be issued to holders of CPL Common Shares under the Arrangement;

3.36 the When Issued Markets will permit market participants to purchase and sell any of the classes of New Shares prior to the completion of the Arrangement and the actual issuance of the New Shares thereunder;

3.37 CPL anticipates that trading on the When Issued Markets will commence on or about August 15, 2001;

3.38 the NYSE has advised CPL that the commencement of trading on the When Issued Market to be established by the NYSE will be conditional upon the Securities and Exchange Commission declaring effective registration statements (the "Registration Statements") concerning New Ships, New Rail, New Coal and New Oil filed under the *Securities Act of 1933* in the United States of America;

3.39 the Registration Statements will not contain any material information that is not contained in the CPL Circular or PanCanadian Circular, as applicable, or disclosed by a press release issued by CPL or PanCanadian, as applicable;

3.40 provided that the Arrangement becomes effective, trading on the When Issued Markets will cease on the date that the New Shares to be issued under the Arrangement begin regular trading on the TSE and NYSE;

3.41 in the event that the Arrangement does not become effective, CPL understands that trading on the When Issued Markets will cease at the discretion of the TSE and NYSE;

3.42 the completion and settlement of any trade of New Shares on the When Issued Markets to be established respectively by the TSE and NYSE will be conditional upon the completion of the Arrangement without any material change, as adjudged by the TSE in the case of the When Issued Market to be established by the TSE or the NYSE in the case of the When Issued Market to be established by the NYSE, and the issuance of the New Shares thereunder;

3.43 if the Arrangement becomes effective on October 1, 2001, CPL anticipates that the TSE and NYSE will require the settlement of all trades of New Shares made on the When Issued Markets on October 9, 2001;

3.44 any insider of CPL who makes any trade of New Shares on the When Issued Markets will file a report of such trade in the applicable Jurisdictions in the same manner as they would be required to do under the Legislation with respect to a trade of CPL Common Shares;

3.45 any insider of PanCanadian who makes any trade of New Oil Shares on the When Issued Markets will file a report of such trade in the applicable Jurisdictions in the same manner as they would be required to do under the Legislation with respect to a trade of PanCanadian Shares;

3.46 New Ships, New Rail, New Coal and New Oil will not conduct any trade or distribution of securities prior to the effective date of the Arrangement other than those contemplated under, and required for, the completion of the Arrangement;

3.47 in the event that the Arrangement does not become effective for any reason, CPL will promptly file applications with the Decision Makers in Alberta, Ontario, Nova Scotia, British Columbia, Québec and Saskatchewan for an order or decision deeming New Ships, New Rail, New Coal and New Oil to have ceased to be reporting issuers or the equivalent under the Legislation in Alberta, Ontario, Nova Scotia, British Columbia, Québec and Saskatchewan;

3.48 some or all of the trades in New Shares on the When Issued Markets would be subject to the Prospectus Requirement in each of the Jurisdictions;

3.49 until the Arrangement becomes effective, there will be 1 New Ships Share, 1 New Rail Share, 1 New Coal Share, 1 New Oil Share and no New CPL Shares outstanding. As the Early Warning Requirements apply to any offeror that acquires beneficial ownership of, or the power to exercise control or direction over, an aggregate of 10% or more of the outstanding securities of a class of voting or equity securities of a reporting issuer, or securities convertible into such securities, the Early Warning Requirements would apply to any party that acquired any New Shares of any class in the When Issued Markets;

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 trades in New Shares on the When Issued Markets shall not be subject to the Prospectus Requirement if:

6.1 in the event that the seller of the securities is an insider or officer of CPL, they have no reasonable grounds to believe that CPL is in default of any requirement of the Legislation;

6.2 in the event that the seller of the securities is an insider or officer of PanCanadian and the trade is a trade of New Oil Shares, they have no reasonable grounds to believe that PanCanadian is in default of any requirement of the Legislation;

6.3 no unusual effort is made to prepare the market or create a demand for the security;

6.4 no extraordinary commission or consideration is paid to a person or company in respect of the trade;

6.5 except in Québec, the trade is not a trade by:

6.5.1 a person or company or a combination of persons or companies holding a sufficient number of any securities of CPL so as to affect materially the control of CPL or more than 20% of the outstanding voting securities of CPL except where there is evidence showing that the holding of those securities does not affect materially the control of CPL; or

6.5.2 in the case of New Oil Shares, a person or company or a combination of persons or companies holding a sufficient number of any securities of PanCanadian so as to affect materially the control of PanCanadian or more than 20% of the outstanding voting securities of PanCanadian except where there is evidence showing that the holding of those securities does not affect materially the control of PanCanadian;

6.6 the CPL Circular and PanCanadian Circular have been available to the public on the System for Electronic Document Analysis and Retrieval for a period of not less than three hours prior to the commencement of trading on the When Issued Markets; and

6.7 at least two business days prior to the commencement of trading on the When Issued Markets:

6.7.1 the TSE and NYSE have issued bulletins announcing the creation of the When Issued Markets, advising as to the symbols under which each class of New Shares will trade and the terms and conditions to settlement;

6.7.2 CPL has disseminated by press release summary *pro forma* financial statements concerning each of New Ships, New Coal, New Rail, New Oil and New CPL following completion of the Arrangement; and

6.7.3 CPL has disseminated by press release full information concerning the number of New Shares of each class that will be outstanding upon the completion of the Arrangement, the ratio of New Shares of each class that will be issued for each CPL Common Share under the Arrangement and the circumstances in which the Early Warning Requirements, as contemplated in this Decision, will apply to the acquisition of New Shares of each class in the When Issued Markets;

provided that any other trade of New Shares made before the effective date of the Arrangement shall be deemed to be a distribution or primary distribution to the public under the Legislation of the Jurisdiction or Jurisdictions where the trade takes place;

7. **THE FURTHER DECISION** of the Decision Makers under the Legislation in Alberta, Ontario, Nova Scotia, British Columbia, Québec and Saskatchewan is that New Ships, New Rail, New Coal and New Oil are deemed to be reporting issuers or the equivalent under the Legislation in Alberta, Ontario, Nova Scotia, British Columbia, Québec and Saskatchewan;

8. **THE FURTHER DECISION** of the Decision Makers under the Legislation in Alberta, Ontario, Nova Scotia, British Columbia, Québec and Saskatchewan is that the Early Warning Requirements shall not apply to acquisitions of New Shares in the When Issued Markets provided that any offeror that acquires New Shares of any class in the When Issued Markets complies with the Early Warning Requirements as if the number of outstanding New Shares of that class for the purposes of calculating the applicable ownership percentage thresholds under the Early Warning Requirements were the number of New Shares of that class that will be outstanding upon the completion of the Arrangement;

August 10, 2001.

"Eric T. Spink" "Thomas G. Cooke"

2.2 Orders

2.2.1 Jack Banks a.k.a. Jacques Benquesus and Larry Weltman

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

AND

**IN THE MATTER OF
JACK BANKS a.k.a. JACQUES BENQUESUS
and LARRY WELTMAN**

ORDER

WHEREAS, by Notice of Hearing dated March 30, 2001, the above-styled proceedings were commenced before the Ontario Securities Commission (the "Commission");

AND WHEREAS this matter came before the Commission on May 3, 2001 and was adjourned with the consent of counsel to Jack Banks a.k.a Jacques Bequesus and Larry Weltman (together, the "Respondents"), to August 13, 2001, to be spoken to;

AND WHEREAS counsel to the Respondents and Staff are agreed that a further adjournment is desirable in this matter;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

AND WHEREAS by authorization order made March 9, 2001, pursuant to subsection 3.5(3) of the Act, the Commission authorized each of David A. Brown, Howard Wetston and Paul Moore acting alone, to exercise the powers of the Commission, subject to subsection 3.5(4) of the Act, to grant adjournments, set dates for hearings, and to hear and determine procedural matters;

IT IS HEREBY ORDERED that:

this matter be adjourned to October 5, 2001, at 9:30 a.m., to be spoken to.

August 15, 2001.

"Paul Moore"

2.2.2 Broadview Press Inc. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - Issuer deemed to be a reporting issuer in Ontario - Issuer has been a reporting issuer in Alberta since December 3, 1999 and in British Columbia since January 20, 2000 - Issuer listed and posted for trading on the Canadian Venture Exchange - Continuous disclosure requirements of Alberta and British Columbia substantially similar to those of Ontario.

Statutes cited

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

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

AND

**IN THE MATTER OF
BROADVIEW PRESS INC.**

**ORDER
(Subsection 83.1(1))**

UPON the application of Broadview Press Inc. ("Broadview") for an order pursuant to subsection 83.1(1) of the Act deeming Broadview to be a reporting issuer for the purposes of Ontario securities law;

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

AND UPON Broadview representing to the Commission as follows:

1. Broadview was incorporated on July 29, 1999 pursuant to the provisions of the *Business Corporations Act* (Alberta).

2. Broadview's head office is located in Calgary, Alberta.

3. Broadview has been a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") since December 3, 1999 following the receipt from the Alberta Securities Commission of Broadview's initial public offering prospectus pursuant to the Alberta Securities Commission's Rule 46-501, Junior Capital Pool Offerings. Broadview's Common Shares were listed and posted for trading on the Canadian Venture Exchange ("CDNX") on January 20, 2000, upon which date Broadview became a reporting issuer under the *Securities Act* (British Columbia) (the "BC Act").

4. Broadview acquired all of the issued and outstanding Common Shares of Broadview Press Ltd. ("Privateco") immediately following its shareholders' approval of such acquisition at its annual and special meeting of shareholders held on May 23, 2000 (the "Acquisition"). In connection with the Acquisition, a total of 2,451,301 Broadview Common Shares were issued to a total of 43

Ontario residents. Each of the Ontario residents receiving Broadview Common Shares in connection with the Acquisition was provided with a copy of Broadview's prospectus, and a copy of the Information Circular (as defined in paragraph 5).

5. In connection with the Acquisition, Broadview prepared and sent to its shareholders, and filed with the appropriate securities regulatory authorities, the Information Circular dated April 17, 2000 (the "Information Circular") containing prospectus-level disclosure with respect to the business and affairs of Broadview, Privateco and the Acquisition.

6. Broadview has maintained its continuous disclosure obligations under the Alberta Act and the BC Act since December 3, 1999, and January 20, 2000 respectively, which obligations are substantially similar to those under the Act. The continuous disclosure materials filed by Broadview since December 3, 1999, are available on the System for Electronic Document Analysis and Retrieval.

7. Other than Alberta and British Columbia, Broadview is not a reporting issuer or public company under the securities legislation of any other jurisdiction in Canada.

8. The authorized share capital of Broadview consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. There are currently 9, 984, 993 Common Shares issued and outstanding and no Preferred Shares are issued and outstanding.

9. The Common Shares are listed and posted for trading on CDNX.

10. Broadview is not in default of any requirements of the securities legislation in Alberta or BC or of any requirements of CDNX.

11. Broadview undertakes that for a period of one year from the date of this Order, any financial information that is released to the public by Broadview, including financial statements, will be reviewed by Broadview's external auditors prior to such release.

12. Neither Broadview nor any of its officers, directors or controlling shareholders has (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, (ii) entered into a settlement agreement with a Canadian securities regulatory authority, or (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

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

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that Broadview be deemed a reporting issuer for the purpose of the Act effective as at the effective time of the Acquisition on May 23, 2000.

August 10, 2001.

"Paul Moore" "R.S. Paddon"

2.2.3 CIBC Securities Inc. & CIBC High Yield Cash Fund - ss. 59(1)

Headnote

Exemption pursuant to subsection 59(1) of Schedule I of the Regulation to the *Securities Act* (Ontario) to allow a mutual fund to pay regulatory filing fees payable in connection with the distribution of securities to be calculated based on the rate applicable to money market funds (i.e. net sales), subject to certain conditions.

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Schedule I, ss. 13(3), 14(2).

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

AND

IN THE MATTER OF
CIBC SECURITIES INC. AND
CIBC HIGH YIELD CASH FUND

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

UPON the application of CIBC Securities Inc. ("CIBC SI"), the trustee, manager, and principal distributor of the CIBC High Yield Cash Fund (the "Fund"), for an order of the Ontario Securities Commission (the "Commission") pursuant to subsection 59(1) of Schedule I to the Regulation that the fees paid by the Fund pursuant to subsection 14(2) of Schedule I to the Regulation with respect to the distribution of securities of the Fund be based on the applicable percentage of net sales in Ontario from the distribution of securities of the Fund, being the rate applicable to money market funds, rather than based on the applicable percentage of the aggregate gross proceeds realized in Ontario from the distribution of securities of the Fund;

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

AND UPON CIBC SI having represented to the Commission as follows:

1. The Fund is one of the forty-six mutual funds (collectively, "the CIBC Funds") offered in each of the provinces and territories of Canada pursuant to a simplified prospectus and annual information form each dated August 9, 2000 (together, the "Prospectus"). A *pro forma* simplified prospectus and a *pro forma* annual information form for each of the CIBC Funds was filed on June 12, 2001 (together, the "Renewal Prospectus").

2. Each of the CIBC Funds is an open-ended mutual fund trust established under the laws of the Province of Ontario.

3. CIBC SI is a wholly-owned subsidiary of the Canadian Imperial Bank of Commerce ("CIBC") and currently acts as the trustee, manager and principal distributor of the CIBC Funds.

4. The Fund, as well as the other CIBC Funds, are reporting issuers and are not in default of any requirement of the securities acts or regulations applicable in each of the provinces and territories of Canada.

5. The Fund has paid the filing fees relating to the Prospectus and the Renewal Prospectus that are applicable to issuers other than money market mutual funds under section 13 of Schedule I of the Regulation. Because the Fund is in its first year of distribution, the Fund has not yet paid fees relating to distribution under section 14 of Schedule I of the Regulation.

6. The Fund is structured to provide returns that have a higher yield than money market mutual funds by utilizing a variety of strategies, including investing a portion of its assets in evidences of indebtedness with remaining terms to maturity greater than that allowed for money market fund investments (i.e. 365 days or less). The Fund attempts to minimize fluctuation in fund price typically associated with fixed income funds by investing a portion of the Fund in money market instruments and allocating the income daily and paying it weekly. The maximum average term to maturity of the portfolio will generally not exceed one (1) year.

7. The Prospectus and the Renewal Prospectus disclose that the fund is suitable for money market investors who are willing to accept some fluctuation in principal in exchange for a potentially higher yield and who want quick and easy access to their money and/or may need their money in less than a year.

8. The Fund is generally being used by investors as an alternative to money market funds. This is evidenced by the fact that some investors who decide to purchase the Fund are placing money into the Fund as a short-term "parking spot" for cash while determining which of the other CIBC Funds they may wish to acquire. As a result, the Fund experiences a rate of purchases and redemptions that is similar to that of CIBC's money market funds.

9. The Fund is not a money market fund within the meaning of section 1.1 of National Instrument 81-102 Mutual Funds ("NI 81-102") because the Fund may invest some of its assets in evidences of indebtedness with remaining terms to maturity greater than 365 days. Accordingly, pursuant to section 14 of Schedule I of the Regulation, the Fund will be required to pay annual fees based on a percentage of the aggregate gross proceeds realized in Ontario from the distribution of securities of the Fund (rather than based on a percentage of the net sales in Ontario from the distribution of securities of the Fund, which would be the case if the Fund was treated as a money market mutual fund).

10. If the Fund is required to pay fees based on gross proceeds rather than on net sales, the Fund will be paying higher fees than money market mutual funds that fall within the definition of money market funds in NI 81-102.

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

IT IS ORDERED pursuant to subsection 59(1) of Schedule I to the Regulation to the Act that the fees paid by the Fund pursuant to subsection 14(2) of Schedule I to the Regulation to the Act with respect to the distribution of securities of the Fund be based on the applicable percentage of the net sales in Ontario from the distribution of securities of the Fund, being the rate applicable to money market mutual funds, rather than based on the applicable percentage of the aggregate gross proceeds realized in Ontario from the distribution of securities of the Fund.

AND IT IS FURTHER ORDERED pursuant to subsection 59(1) of Schedule I to the Regulation to the Act that the fees paid by the Fund pursuant to subsection 13(3) of Schedule I to the Regulation to the Act with respect to the filing fees of the Fund on each renewal are the fees applicable to money market mutual funds.

PROVIDED that the Fund pay the difference owing between the fees paid under clause 13(3)(a) of Schedule I to the Regulation to the Act at the time of the filing of the Prospectus and of the Renewal Prospectus, and the fees which would have been applicable under clause 13(3)(b) of Schedule I of the Regulation within ten (10) business days of the date of this Order.

August 10, 2001.

"Paul Moore" "R. Stephen Paddon"

2.2.4 Rampart Securities Inc. - Direction

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C.s.5, as amended

AND

IN THE MATTER OF
RAMPART SECURITIES INC.

VARIATION OF DIRECTION DATED AUGUST 14, 2001
(Section 126 (7))

To: Mr. Nicolas George Tsaconakos
Rampart Securities Inc.
55 University Avenue
Suite 1000
Toronto, ON M5J 2P8

TAKE NOTICE that pursuant to subsection 126 (7) of the Securities Act, an application has been made by you and the Investment Dealers Association of Canada ("the IDA") to vary the Direction made August 14, 2001 by the Ontario Securities Commission ("the Commission") in the above noted matter;

AND TAKE FURTHER NOTICE that the Commission has granted the application whereby the following transactions pertaining to funds, securities or property which you may have on deposit, under your control or for safekeeping are exempted from the restrictions of the aforesaid Direction and may be entered into and completed by you:

a) transactions approved by the Monitor appointed pursuant to an agreement entered into by you, the Monitor and the IDA dated August 16, 2001; and

b) transactions where securities are required to be liquidated, the securities or security positions are transferred to another Member firm of the IDA to conduct the trade, and the proceeds of the aforesaid transaction(s) are subject to the terms of the Monitor agreement set out in paragraph a) above.

August 16, 2001.

"David A. Brown"

2.2.5 Comerica Bank - s. 80

Headnote

Section 80 of the Commodity Futures Act - relief for Schedule III bank from requirement to register as an adviser where the performance of the service as an adviser is incidental to principal banking business.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c.S.20, as am., paragraph 22(1)(b) and section 80.

**IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O.1990, CHAPTER S. 20, AS AMENDED (the "Act")**

AND

**IN THE MATTER OF
COMERICA BANK**

**ORDER
(Section 80)**

UPON application (the "Application") by Comerica Bank to the Ontario Securities Commission (the "Commission") for an order pursuant to section 80 of the Act exempting Comerica Bank from the requirement to obtain registration as an adviser under paragraph 22(1)(b) of the Act in connection with the banking business to be carried on by Comerica Bank in Ontario;

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

AND UPON Comerica Bank having represented to the Commission that:

1. Comerica Bank is the principal bank subsidiary of Comerica Incorporated in the United States. Comerica Bank has maintained an active presence in Canada since 1996. Comerica Bank-Canada is a foreign bank subsidiary of Comerica Bank currently listed on Schedule II of the *Bank Act* (Canada) (the "Bank Act").

2. Comerica Bank-Canada provides a wide range of corporate banking services to Canadian companies and subsidiaries of U.S. companies carrying on business in Canada, including cash management, foreign exchange, credit and related banking services. Local treasury operations of Comerica Bank-Canada provide funding and liquidity for the various activities of Comerica Bank-Canada. Comerica Bank-Canada is an active participant in the overnight interbank market, accepts term deposits from major Canadian and multinational corporations and derives a portion of its funding from brokered deposits. These deposits are evidenced by certificates of deposit registered in the holder's name, bearer deposit notes or printed confirmations addressed to the depositor. The treasury function within Comerica Bank-Canada also engages in derivatives activities.

3. Comerica Bank will only accept deposits from the following:

(a) Her Majesty in right of Canada or in right of a province or territory, an agent of Her Majesty in either of those rights and includes a municipal or public body empowered to perform a function of government in Canada, or an entity controlled by Her Majesty in either of those rights;

(b) the government of a foreign country or any political subdivision thereof, an agency of the government of a foreign country or any political subdivision thereof, or an entity that is controlled by the government of a foreign country or any political subdivision thereof;

(c) an international agency of which Canada is a member, including an international agency that is a member of the World Bank Group, the Inter-American Development Bank, the Asian Development Bank, the Caribbean Development Bank and the European Bank for Reconstruction and Development and any other international regional bank;

(d) a financial institution (i.e.: (a) a bank or an authorized foreign bank under the Bank Act; (b) a body corporate to which the *Trust and Loan Companies Act* (Canada) applies; (c) an association to which the *Cooperative Credit Association Act* (Canada) applies; (d) an insurance company or a fraternal benefit society to which the *Insurance Companies Act* (Canada) applies; (e) a trust, loan or insurance corporation incorporated by or under an Act of the legislature of a province; (f) a cooperative credit society incorporated and regulated by or under an Act of the legislature of a province or territory in Canada; (g) an entity that is incorporated or formed by or under an Act of Parliament or of the legislature of a province or territory in Canada and that is primarily engaged in dealing in securities, including portfolio management and investment counselling, and is registered to act in such capacity under the applicable legislation; and (h) a foreign institution that is (i) engaged in the banking, trust, loan or insurance business, the business of a cooperative credit society or the business of dealing in securities or is otherwise engaged primarily in the business of providing financial services, and (ii) is incorporated or formed otherwise than by or under an Act of Parliament or of the legislature of a province or territory in Canada);

(e) a pension fund sponsored by an employer for the benefit of its employees or employees of an affiliate that is registered and that has total plan assets under administration of greater than $100 million;

(f) a mutual fund corporation that is regulated under an Act of the legislature of a province or territory in Canada or under the laws of any other

jurisdiction and that has total assets under administration of greater than $10 million;

(g) an entity (other than an individual) that, for the fiscal year immediately preceding the initial deposit, had gross revenues on its own books and records of greater than $5 million; or

(h) any other person if the trade is in a security which has an aggregate acquisition cost to the purchaser of greater than $150,000;

collectively referred to for purposes of this Decision Document as "Authorized Purchasers".

4. In June of 1999 amendments to the Bank Act were proclaimed that permit foreign commercial banks to establish direct branches in Canada. These amendments have created a new Schedule III to the Bank Act listing foreign banks permitted to carry on banking activities through branches in Canada.

5. Comerica Bank has submitted an application (the "Bank Act Application") to the Office of the Superintendent of Financial Institutions to establish a full service branch under the Bank Act to be listed on Schedule III to the Bank Act.

6. Upon approval of the Bank Act Application, Comerica Bank will take over the current corporate banking services and treasury functions currently conducted by Comerica Bank-Canada.

7. Paragraph 31(a) of the Act refers to a bank listed on Schedule I or II to the Bank Act in connection with the exemption from the adviser registration requirement; however no reference is made in the Act to entities listed on Schedule III to the Bank Act.

8. In order to ensure that Comerica Bank, as an entity listed on Schedule III to the Bank Act, is able to provide banking services to businesses in Ontario, it requires the same exemptions as other federally regulated banks to the extent that the current exemptions applicable to Schedule I and Schedule II banks are relevant to the business being undertaken by Comerica Bank-Canada in Ontario.

9. Comerica Bank will be performing certain foreign exchange advisory services in connection with its principal banking business.

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

IT IS RULED pursuant to section 80 of the Act that upon the establishment by Comerica Bank of a branch designated on Schedule III of the Bank Act Comerica Bank is exempt from the requirement of paragraph 22(1)(b) of the Act where the performance of the service as an adviser is solely incidental to Comerica Bank's principal banking business.

August 17, 2001.

"Paul M. Moore" "R. Stephen Paddon"

2.2.6 Elliott & Page Limited and Elliott & Page U. S. Mid-Cap Fund - s. 59(1)

Headnote

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

Regulations Cited

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

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

AND

IN THE MATTER OF
ELLIOTT & PAGE LIMITED AND
ELLIOTT & PAGE U.S. MID-CAP FUND

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

UPON the application of Elliott & Page Limited ("EPL"), the manager and trustee of the E&P Manulife Maximum Growth Asset Allocation Portfolio (the "Maximum Growth Asset Allocation Portfolio"), and the manager and trustee of the Elliott & Page U.S. Mid-Cap Fund and other similar funds established by EPL from time to time (the "Underlying Funds") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 59(1) of Schedule I of the Regulation exempting the Underlying Funds from paying duplicate filing fees on an annual basis in respect of the distribution of units of the Underlying Funds to the Maximum Growth Asset Allocation Portfolio, the distribution of units of the Underlying Funds to counterparties with whom the Maximum Growth Asset Allocation Portfolio has entered into forward contracts and on the reinvestment of distributions of such units.

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

AND upon EPL having represented to the Commission that:

1. EPL is, or will be, the manager and trustee of the Maximum Growth Asset Allocation Portfolio and the Underlying Funds. EPL is a corporation established under the laws of Ontario.

2. Each of the Maximum Growth Asset Allocation Portfolio and the Underlying Funds is, or will be, an open-end unincorporated mutual fund trust established under the laws of Ontario.

3. The Maximum Growth Asset Allocation Portfolio and the Underlying Funds are, or will be, qualified for distribution pursuant to a simplified prospectus and annual information form filed across Canada.

4. Each of the Maximum Growth Asset Allocation Portfolio and the Underlying Funds is, or will be, a reporting issuer under the securities laws of each of the provinces and territories of Canada. Neither of the Maximum Growth Asset Allocation Portfolio or the Underlying Funds is in default of any requirements of the securities legislation, regulations or rules applicable in each of the provinces and territories of Canada.

5. As part of its investment strategy, the Maximum Growth Asset Allocation Portfolio enters into forward contracts with one or more financial institutions (the "Counterparties") that links the return of a fixed percentage of its assets to a specified Underlying Fund.

6. A Counterparty may hedge its obligations under a forward contract by investing in Class T units (the "Hedge Units") of the specified Underlying Fund.

7. As part of its investment strategy, the Maximum Growth Asset Allocation Portfolio may purchase Class T units of the specified Underlying Fund (the "Fund on Fund Investments").

8. Applicable securities regulatory approvals for the Fund on Fund Investments and the Maximum Growth Asset Allocation Portfolio's investment strategies have been, or will be, obtained.

9. Annually, the Maximum Growth Asset Allocation Portfolio will be required to pay filing fees to the Commission in respect of the distribution of its units in Ontario pursuant to section 14 of Schedule I of the Regulation and will similarly be required to pay fees based on the distribution of its units in other relevant Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions.

10. Annually, the specified Underlying Fund will be required to pay filing fees in respect of the distribution of its units in Ontario, including units issued to the Maximum Growth Asset Allocation Portfolio and the Hedge Units, pursuant to section 14 of Schedule I of the Regulation and will similarly be required to pay fees based on the distribution of its units in other relevant Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions.

11. A duplication of filing fees pursuant to Section 14 of Schedule I of the Regulation may result when (a) assets of the Maximum Growth Asset Allocation Portfolio are invested in the specified Underlying Fund (b) Hedge Units are distributed and (c) a distribution is paid by the specified Underlying Fund on units of the Underlying Fund held by the Maximum Growth Asset Allocation Portfolio or Hedge Units which are reinvested in additional units of the Underlying Fund (the "Reinvested Units").

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

IT IS ORDERED by the Commission pursuant to subsection 59(1) of Schedule I of the Regulation that the Underlying Funds are exempt from the payment of duplicate filing fees on an annual basis pursuant to section 14 of Schedule I of the Regulation with respect to the distribution of units of the Underlying Funds to the Maximum Growth Asset Allocation Portfolio, the distribution of Hedge Units to Counterparties and the distribution of Reinvested Units, provided that each Underlying Fund shall include in its notice filed under section 14(4) of Schedule I of the Regulation a statement of the aggregate gross proceeds realized in Ontario as a result of the issuance by the Underlying Fund of (1) units distributed to the Maximum Growth Asset Allocation Portfolio, (2) Hedge Units and (3) Reinvested Units; together with a calculation of fees that would have been payable in the absence of this order.

August 17, 2001.

"Paul M. Moore" "Howard I. Wetston"

2.2.7 William Multi-Tech Inc. - s. 144

Headnote

Section 144 - revocation of cease trade order upon remedying, to the extent possible, its default in respect of disclosure requirements under the Act.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5. as am., ss. 127(1)2, 127(5), 127(8), 144.

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

and

**IN THE MATTER OF
WILLIAM MULTI-TECH INC.**

**ORDER
(SECTION 144)**

AND WHEREAS the securities of William Multi-Tech Inc. ("William Multi-Tech") are subject to an Order of the Director dated June 15, 2001, extending a temporary order of May 29, 2001, originally issued only against the directors, officers and insiders of William Multi-Tech (collectively, the "Cease Trade Order"), directing that all trading in the securities of William Multi-Tech cease;

AND UPON William Multi-Tech having applied to the Commission pursuant to section 144 of the Act for an order revoking the Cease Trade Order;

AND UPON William Multi-Tech having represented to the Commission that:

1. The name of the Corporation is WILLIAM MULTI-TECH INC.

2. The Corporation was incorporated under the name Ressources William Inc. on November 16, 1987 under Part 1A of the *Companies Act* (Quebec).

3. By articles of amalgamation dated April 2, 1990, the Corporation amalgamated with Ressources Halex Inc., another company formed under the *Companies Act* (Quebec). The name of the amalgamated company remained "Ressources William Inc.".

4. The Corporation's English name, William Resources Inc., was added by articles of amendment dated December 15, 1995.

5. On June 20, 1997, the articles of the Corporation were amended by consolidating the issued common shares of the Corporation on a one-for-three basis.

6. On July 12, 2000 the articles of the Corporation were amended to change the name of the Corporation to William Multi-Tech Inc.

7. The authorized capital of the Corporation consists of an unlimited number of common shares without par value which 563,952,186 common shares are issued and outstanding as fully paid and non-assessable.

8. The Corporation is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

9. The common shares of the Corporation were listed for trading on the Toronto Stock Exchange ("TSE") under the symbol "WIM", but were suspended from trading in January 2001 for failure to meet its continued listing requirements. The suspension, which took effect March 8, 2001, is for up to one year during which period the Corporation may apply for reinstatement of trading, subject to the approval of the TSE.

10. As a result of the TSE trading suspension, arrangements were made to list the Corporation's shares for trading on the Canadian Venture Exchange ("CDNX") under the symbol WIM. Trading commenced on Tier 2 of CDNX on March 9, 2001, but was suspended on May 30, 2001, because of the Cease Trade Order.

11. The most recent information documents filed by the Corporation were its annual report filed on August 9, 2001; its interim financial statements for the period ended March 31, 2001, which were filed on August 3, 2001; and its annual information form filed on August 3, 2001.

12. The audited financial statements for the year ended December 31, 2000 were filed on July 25, 2001 and mailed to the registered shareholders of the Corporation on August 9, 2001.

13. Cease trade orders were also issued against the Corporation by the Commission des Valeurs Mobilieres du Quebec on May 30, 2001, and by the British Columbia Securities Commission on June 8, 2001, for failure to file the audited annual financial statements for the year ended December 31, 2001, and the interim unaudited financial statements for the period dated March 31, 2001. The Corporation has now filed these financial statements, notified these securities commissions of the same, and expects these cease trade orders to be revoked shortly.

14. To the knowledge of the directors or senior officers of the Corporation, no shareholder owns, directly or indirectly, or exercises control or direction over securities of the Corporation carrying more than 10% of the voting rights attached to the common shares of the Corporation.

15. The financial statements were filed late due to delays in the preparation of the financial statements, which were due in turn to complexity arising from the numerous transactions in which the Corporation was involved during the periods being reported on. The Corporation notified the public that its financial statements would be late by press release dated May 16, 2001.

16. The Corporation is not considering and is not involved in any discussions relating to a reverse take-over transaction.

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

AND UPON the Commission being satisfied that William Multi-Tech is now current with the continuous disclosure requirements under Part XVIII of the Act and has remedied its default in respect of such requirements;

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

IT IS ORDERED pursuant to section 144 of the Act that the Cease Trade Order be and is hereby revoked.

August 17, 2001.

"John Hughes"

2.2.8 Westlinks Resources Ltd. - ss. 83.1(1)

Headnote

Subsection 83.1(1) - issuer deemed to be reporting issuer in Ontario - issuer has been a reporting issuer in each of Alberta and British Columbia for more than 12 months - issuer listed and posted for trading on CDNX - continuous disclosure requirements of Alberta and British Columbia substantially similar to those of Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c.S.5, as am., ss83.1(1).

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

AND

IN THE MATTER OF
WESTLINKS RESOURCES LTD.

ORDER
(Subsection 83.1(1))

UPON the application (the "Application") of Westlinks Resources Ltd. ("Westlinks") for an order pursuant to subsection 83.1(1) of the Act deeming Westlinks to be a reporting issuer for the purposes of Ontario securities law.

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

AND UPON Westlinks representing to the Commission that:

1. Westlinks is a corporation organized under the laws of Alberta. The authorized share capital of Westlinks consists of an unlimited number of common shares ("Common Shares") and an unlimited number of preferred shares, issuable in series. As of the date hereof, there are 5,886,686 Common Shares and no preferred shares outstanding.

2. The Common Shares are listed on the Canadian Venture Exchange, Inc. (the "CDNX") and on NASDAQ and Westlinks is in compliance with all of the requirements of CDNX and NASDAQ.

3. Westlinks has been a reporting issuer in Alberta and British Columbia for more than three years and is not in default of the requirements of the Securities Act (Alberta) (the "Alberta Act") or the Securities Act (British Columbia) (the "BC Act").

4. Neither Westlinks nor any of its officers, directors or controlling shareholders has (i) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, (ii) entered into a settlement agreement with a Canadian securities regulatory authority or (iii) been subject to any other

penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

5. Big Horn is a corporation amalgamated under the laws of Canada. The authorized share capital of Big Horn consists of an unlimited number of common shares ("Big Horn Shares"). As of the date hereof there are 28,397,191 Big Horn Shares outstanding. The Big Horn Shares are currently listed on The Toronto Stock Exchange ("TSE").

6. Big Horn is a reporting issuer in Alberta, British Columbia, Saskatchewan, Manitoba and Ontario and is not in default of the requirements of the legislation of such provinces nor of any requirement of the TSE.

7. Subco is a corporation organized under the laws of Canada. The authorized share capital of Subco consists of an unlimited number of common shares ("Subco Shares"). As of the date hereof there is one Subco Share outstanding which is owned by Westlinks.

8. The Subco Shares are not listed on any stock exchange or trading system and Subco is not a reporting issuer in any province or territory of Canada. Subco's head office is in Calgary, Alberta.

9. Pursuant to an arrangement (the "Arrangement), which is expected to be completed on or about August 14, 2001, Subco will amalgamate with Big Horn to form a corporation ("Amalco") and the holders of Big Horn Shares shall receive, for each Big Horn Share, at the option of the holder, either: (i)0.1905 of a Common Share, or (ii)1 special share of Amalco (redeemable immediately after the effective date of the Arrangement for $0.22 cash) and 0.74 of a first preferred share, series 1, of Westlinks (the "Preferred Shares"). The Preferred Shares shall be redeemable at any time by Westlinks at a price of $0.85 per share, and will be retractable by the holder at a price of $0.85 per share at any time following the first anniversary of issuance. The Preferred Shares will be non-voting. The Preferred Shares shall be transferable. Holders of the Preferred Shares are not entitled to receive any dividends until the first anniversary of the date of issuance of such Preferred Shares, from and after which holders of Preferred Shares shall be entitled to receive fixed cumulative preferential cash dividends of $0.085 per share per annum, payable quarterly.

10. The Arrangement has been approved by the shareholders of Big Horn at a meeting held on July 23, 2001.

11. Prior to the completion of the Arrangement, Westlinks will issue 6,123,871 Preferred Shares to a third party which issuance will not be completed in connection with the Arrangement.

12. Westlinks intends to apply to the TSE to list its Common Shares. Westlinks anticipates that the Common Shares will be listed on the TSE and delisted from the CDNX as soon as practicable. Westlinks does not intend to have its Common Shares delisted from CDNX until such shares are listed on the TSE.

13. Westlinks is up to date in the filing of its financial statements and other continuous disclosure documents.

14. The continuous disclosure requirements of the B.C. Act and the Alberta Act are substantially the same as the requirements under the Act.

15. The management proxy circular of Big Horn distributed to shareholders of Big Horn in connection with the Arrangement provides prospectus-level disclosure of Westlinks and Big Horn and of the Arrangement. A copy of the Circular has been filed with the Commission and, upon completion of the Arrangement, will be available on the System for Electronic Document Analysis and Retrieval ("SEDAR") under Westlinks' SEDAR profile.

16. The continuous disclosure materials filed by Westlinks under the B.C. Act and the Alberta Act are available on SEDAR.

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

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that Westlinks is deemed to be a reporting issuer for the purposes of Ontario securities law.

August 14, 2001.

"John A. Geller" "R. Stephen Paddon"

2.2.9 Nordex Explosives Ltd. - ss. 83.1(1)

Headnote

Reporting issuer in Alberta, British Columbia and Quebec whose securities are listed on the CDNX deemed to be a reporting issuer in Ontario.

Statutes Cited

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

Policies Cited

Policy 12-602 Deeming an Issuer from Certain Other Canadian Jurisdictions to be a Reporting Issuer in Ontario.

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

AND

IN THE MATTER OF
NORDEX EXPLOSIVES LTD.

ORDER
(Subsection 83.1(1))

UPON the application of Nordex Explosives Ltd. ("Nordex") for an order pursuant to subsection 83.1(1) of the Act deeming Nordex to be a reporting issuer for the purposes of Ontario securities law;

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

AND UPON Nordex representing to the Commission as follows:

1. Nordex is a corporation governed by the *Companies Act* (Quebec) (the "QCA").

2. Nordex's head office is located in Toronto, Ontario.

3. Nordex has been a reporting issuer under the *Securities Act* (Alberta) (the "Alberta Act") since July 9, 1973 and has been a reporting issuer under the *Securities Act* (Quebec) (the "Quebec Act") since March 1, 1971.

4. Nordex became a reporting issuer under the *Securities Act* (British Columbia) (the "B.C. Act") on November 26, 1999 as a result of the merger of the Vancouver Stock Exchange and the Alberta Stock Exchange to form the Canadian Venture Exchange (the "CDNX").

5. Nordex's common shares are listed and trading on the Canadian Venture Exchange ("CDNX").

6. Nordex is not in default under the B.C. Act, Alberta Act or the Quebec Act.

7. The continuous disclosure requirements of the B.C. Act, the Alberta Act and the Quebec Act are substantially the same as the requirements under the Act.

8. The continuous disclosure materials filed by Nordex under the B.C. Act, the Alberta Act and the Quebec Act are available on the System for Electronic Document Analysis Retrieval (SEDAR).

9. Nordex is not a reporting issuer or the equivalent under the securities legislation of any other jurisdiction in Canada.

10. The authorized share capital of Nordex consists of 6,000,000 common shares of which 3,314,777 common shares were issued and outstanding as of August 15, 2001.

11. Nordex has no outstanding options or warrants.

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

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that Nordex is deemed to be a reporting issuer for the purposes of Ontario securities law.

August 17, 2001.

"Paul M. Moore" "John A. Geller"

2.2.10 Clairvest Group Inc. - s. 4.2 of Rule 56-501

Headnote

Rule 56-501 – section 4.2 – issuer exempt from minority approval requirements of Part 3 of Rule 56-501 with respect to private placement of non-voting shares.

Statutes Cited

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

Rules Cited

Rule 56-501 Restricted Shares, (1999) 22 O.S.C.B. 6803, corrected (1999) 22 O.S.C.B. 7091.

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

AND

IN THE MATTER OF
CLAIRVEST GROUP INC.

ORDER
(Section 4.2 of Rule 56-501)

WHEREAS Clairvest Group Inc. ("Clairvest") has applied to the Director (the "Director") for an exemption from the requirements of Part 3 of Commission Rule 56-501 - Restricted Shares ("Rule 56-501") in connection with the distribution by way of private placement to a single arm's length investor of shares of a newly created class of non-voting shares of Clairvest ("Non-Voting Shares");

AND WHEREAS Clairvest has represented to the Director that:

1. Clairvest was incorporated under the *Business Corporations Act* (Ontario) on February 13, 1987.

2. Clairvest is a reporting issuer only in the Province of Ontario.

3. The authorized capital of Clairvest consists of an unlimited number of preference shares, issuable in series (the "Preference Shares") and an unlimited number of common shares (the "Common Shares"). As at the date hereof, no Preference Shares and 18,697,590 Common Shares are issued and outstanding.

4. The Common Shares are listed on the Toronto Stock Exchange.

5. Clairvest is not on the list of defaulting reporting issuers maintained pursuant to Section 72(9) of the *Securities Act* (Ontario).

6. Clairvest's directors own or control approximately 73.4% of the outstanding Common Shares. Excluding the Common Shares owned or controlled by Joseph and Kenneth Rotman, who are the only persons or companies that may be considered "control persons" of Clairvest within the meaning of Rule 56-501, the remaining directors (the "Independent Directors") own or control approximately 56.4% of the remaining Common Shares.

7. The Canada Pension Plan Investment Board (the "Investor") has agreed to subscribe for $50 million of units of Clairvest Equity Partners Limited Partnership ("CEP"), a limited partnership formed by Clairvest. Clairvest has agreed to co-invest with CEP. Clairvest is also the manager of CEP.

8. In connection with the Investor's subscription for units of CEP, the Investor and Clairvest have also agreed on the terms upon which the Investor will subscribe for Non-Voting Shares.

9. The Investor and Clairvest are at arm's length from each other.

10. The closing of the Investor's subscription for units of CEP must occur on or before August 28, 2001. The Investor's subscription for the Non-Voting Shares will close at the same time.

11. Clairvest intends to create the Non-Voting Shares by way of a resolution of directors in accordance with the terms of the Preference Shares which authorize the directors to determine the attributes of each series of Preference Shares. Due to the requirement to complete the transaction during the month of August 2001, Clairvest will not have the opportunity to seek the approval of its shareholders at a meeting.

12. In connection with the Investor's subscription for the Non-Voting Shares, Clairvest and the Investor will enter into an investment agreement (the "Investment Agreement") which will impose on the Investor restrictions on the Investor's ability to transfer the Non-Voting Shares. As a condition of their transfer, the transferees of the Non-Voting Shares must agree to be bound by the terms of the Investment Agreement. The Non-Voting Shares will not be listed on the Toronto Stock Exchange.

13. The Non-Voting Shares are convertible into Common Shares only in the following two circumstances:

    (i) after 10 years from the date of issue; and

    (ii) in connection with the exercise of coat-tail rights which arise upon certain offers being made for the Common Shares.

    In such circumstances, the Non-Voting Shares will be convertible into Common Shares on the basis of not less than one Common Share for each Non-Voting Share.

14. The Non-Voting Shares are "restricted shares" as defined in Rule 56-501 as they are equity shares which are not "common shares" as defined in Rule 56-501.

15. Part 3 of Rule 56-501 provides that the prospectus exemptions under Ontario securities laws will not be available for a stock distribution of Non-Voting Shares unless either:

    (a) the stock distribution receives minority approval; or

    (b) the reorganization carried out by Clairvest to create the Non-Voting Shares receives minority approval.

16. The transaction by which the Non-Voting Shares will be created and are to be issued to the Investor received the unanimous approval of the directors of Clairvest, including the Independent Directors. As such, if a shareholders' meeting were to be held and the Independent Directors voted in favour of the shareholders' resolution consistent with the manner in which they, as directors, approved the transaction, the requisite "minority approval" would be obtained.

17. Clairvest will issue a press release and file a material change report providing details of the transaction and of the terms of the Non-Voting Shares. Thus the information respecting the transaction that would have been included in the proxy circular for a shareholders' meeting will be placed on the public record.

AND WHEREAS the Director is satisfied that it would not be prejudicial to the public interest to grant the exemption requested;

IT IS ORDERED pursuant to section 4.2 of Rule 56-501 that Clairvest be and it is hereby exempted from the requirements of Part 3 of Rule 56-501 in connection with the proposed stock distribution of Non-Voting Shares to the Investor.

August 21, 2001.

"Margo Paul"

2.2.11 Mackenzie Financial Corporation - ss. 1(6) of the OBCA

Headnote

Subsection 1(6) of the OBCA - Issuer deemed to have ceased to be offering its securities to the public under the Business Corporations Act (Ontario).

Applicable Ontario Statutory Provisions

Business Corporations Act, R.S.O. 1990, c.B. 16, as am., s. 1(6).

**IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT (ONTARIO)**

AND

**IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION**

ORDER

UPON the application of Mackenzie Financial Corporation ("Mackenzie") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 1(6) of the *Business Corporations Act* (Ontario) (the "OBCA");

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

AND UPON Mackenzie having represented to the Commission that:

1. Mackenzie is a corporation constituted under the OBCA, and has an authorized capital consisting of an unlimited number of common shares ("Common Shares").

2. As a result of an offer to acquire 100% of the outstanding Common Shares and subsequent compulsory acquisition in accordance with the relevant provisions of the OBCA, Investors Group Inc. became and is the sole shareholder of Common Shares. The registered holder of the Common Shares is I.G. Investment Management, Ltd., a wholly-owned subsidiary of Investors Group Inc.

3. The Common Shares were de-listed from the Toronto Stock Exchange and the Nasdaq Stock Market on May 30, 2001, and are not listed on any stock exchange or traded over the counter in Canada or elsewhere.

4. Mackenzie has no securities, including debt securities, outstanding other than the Common Shares.

5. Mackenzie has no present intention of seeking public financing by way of an offering of its securities.

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

IT IS ORDERED pursuant to subsection 1(6) of the OBCA, that Mackenzie is deemed to have ceased to be offering its securities to the public for the purposes of the OBCA.

August 14, 2001.

"John A. Geller" "R. Stephen Paddon"

2.3 Rulings

2.3.1 DWL Incorporated (US) - ss. 74(1)

Headnote

Prospectus and registration relief in connection with acquisition of a private Ontario issuer by non-public U.S. company using an exchangeable share structure. Exchangeable shares economically equivalent to shares of U.S. acquirer. First trade relief for underlying securities not sought at this time due to the fact that U.S. company is not yet a public company, and as of the closing date of the acquisition, persons or companies resident in Ontario will possess an economic interest representing approximately 40% of the total issued and outstanding common shares of the U.S. acquirer.

Statutes Cited

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

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

AND

IN THE MATTER OF
DWL INCORPORATED

AND

IN THE MATTER OF
DWL INCORPORATED (US)

RULING
(Subsection 74(1))

UPON the application (the "Application") of DWL Incorporated ("DWL" or the "Corporation") and DWL Incorporated (US) ("DWL US") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to Subsection 74(1) of the Act that certain trades in securities made in connection with or resulting from a series of transactions (the "Transactions") involving DWL and DWL US are exempt from sections 25 and 53 of the Act;

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

AND UPON DWL and DWL US having represented to the Commission the following:

1. DWL is a corporation incorporated under the laws of the Province of Ontario and is not a reporting issuer under the Act or in any other jurisdiction where such concept exists.

2. In connection with the Transactions, DWL will amend its Articles to reinstate the "private company" restrictions, and accordingly will be a "private company" as defined in the Act.

3. DWL is engaged in the business of developing transactive Customer Relationship Management (CRM) portal solutions for the insurance, consumer products and retail industries.

4. DWL's principal business office is located at 230 Richmond Street East, Level 2, Toronto, Ontario M5A 1P4.

5. The authorized capital of DWL consists of an unlimited number of common shares (the "DWL Common Shares"), of which 10,330,733 DWL Common Shares are presently issued and outstanding and held by shareholders resident in Ontario, and an unlimited number of DWL Preferred Shares, of which 5,548,950 DWL Preferred Shares are presently issued and outstanding and held by VenGrowth Investment Fund Inc. ("VenGrowth"), a corporation resident in Ontario.

6. As at July 26, 2001, there were 3,802,534 special warrants (the "Special Warrants") of DWL outstanding, entitling the holders thereof to acquire up to approximately 4,182,787 DWL Common Shares, and outstanding options (the "DWL Options") granted pursuant to DWL's Employee Stock Option Plan to purchase up to 3,743,932 DWL Common Shares.

7. The Transactions will be governed by certain agreements (the "Transaction Documents") which will be entered into between InSight Venture Partners IV, L.P. ("InSight") and certain of its related investment funds (collectively, "InSight"), MMC Capital Technology Fund II, LP, an affiliate of Marsh MacLennan Corp., and certain of its related investment funds (collectively, "MMC"), DWL, DWL US and VenGrowth.

8. In summary, the Transactions will involve, among other things: (i) VenGrowth disposing of its convertible preferred shares in the capital of DWL (the "DWL Preferred Shares") to InSight and MMC; (ii) InSight and MMC injecting additional capital into the Corporation (by subscribing for securities of DWL US) to permit it to continue operations; and (iii) the change of common shares of DWL ("DWL Common Shares") into shares of DWL which are, by their terms, exchangeable for shares of DWL US ultimately resulting in the current shareholders of DWL having, in effect, an ownership interest in DWL US.

9. On the date upon which the Transactions will become effective (the "Effective Date"), the authorized capital of DWL will consist of an unlimited number of Class A Common Shares, an unlimited number of Exchangeable Shares, an unlimited number of DWL Preferred Shares, an unlimited number of Special Shares and an unlimited number of Class Z Shares. On the Effective Date, all the issued and outstanding Class A Common Shares, Class Z Shares and DWL Preferred Shares will be held by an Ontario company incorporated by DWL US ("Subco"), and all of the issued and outstanding Exchangeable Shares will be held by the current holders of DWL Common Shares.

10. As a result of the Transactions and automatically pursuant to their terms, holders of Special Warrants will be entitled to acquire for no additional consideration

Exchangeable Shares upon the exercise thereof, as opposed to DWL Common Shares. In connection with the Transactions, each outstanding DWL Option will be exchanged for an option ("DWL US Options") to purchase an equivalent number of shares of DWL US Common Stock as the number of DWL Common Shares for which such DWL Option was exercisable. The DWL US Options will be granted pursuant to a newly-created stock option plan of DWL US.

11. DWL US is a company organized under the laws of the State of Delaware for the purposes of the Transactions.

12. Upon completion of the Transactions, DWL US, as the indirect parent of DWL, will be primarily engaged in managing the business and affairs of DWL, as currently conducted by the Corporation.

13. DWL US's registered office is located at 9 East Loockerman Street, City of Dover, County of Kent, Delaware, 19901.

14. As at July 26, 2001, DWL US's authorized capital consisted of 1000 shares of common stock of which one share was issued and outstanding.

15. On the Effective Date, DWL US's authorized capital will consist of (i) a specified number of shares common stock, a number of which will be designated as Class A Common Shares and one will be designated as a Class B Common Share, and (ii) a specified number of preferred shares, a number of which will be designated as Class A Preferred Shares and a number of which will be designated as Class B Preferred Shares.

16. On the Effective Date, DWL US will not be a reporting issuer under the Act or in any jurisdiction and no securities of DWL US will be registered under the *United States Securities Act* of 1933, as amended, qualified by a prospectus under the Act or listed or quoted on any stock exchange or quotation system.

17. Subco will be a corporation incorporated under the laws of the Province of Ontario. Subco will be incorporated solely to facilitate the Transactions and will not carry on any active business.

18. Subco's registered office will be located at 230 Richmond Street East, Level 2, Toronto, Ontario M5A 1P4.

19. The authorized capital of Subco will consist solely of an unlimited number of common shares ("Subco Common Shares") of which all issued and outstanding Subco Common Shares will be held by DWL US on the Effective Date.

20. Subco will be a private company within the meaning of the Act and will not be a reporting issuer under the Act.

21. InSight IV is a limited partnership formed under the laws of the State of Delaware. InSight's principal business office is located at 680 Fifth Avenue, New York, New York 10019.

22. InSight IV is a leading venture capital firm, specializing in software companies. The other related investment funds forming part of Insight are limited partnerships with similar investment mandates.

23. As part of the Transactions and as provided for in the Transaction Documents, DWL will file articles of amendment (the "First Articles of Amendment") under the *Business Corporations Act* (Ontario) (the "OBCA") pursuant to which, among other things, (i) a new class of shares to be designated Special Shares (the "Special Shares") will be created; (ii) a new class of shares to be designated as Class Z Shares (the "Class Z Shares") will be created, (iii) a new class of shares to be designated as Class A Common Shares (the "Class A Common Shares") will be created, and (iv) private company restrictions will be reinserted into the Articles of the Corporation.

24. A second set of articles of amendment (together with the First Articles of Amendment, the "Articles of Amendment") will be filed by DWL pursuant to which, among other things, (i) a new class of non-voting shares to be designated exchangeable shares will be created (each an "Exchangeable Share" and collectively, the "Exchangeable Shares"), and (ii) the DWL Common Shares will be changed on a one-for-one basis into Exchangeable Shares. The Exchangeable Shares will be exchangeable on a one-for-one basis for shares of Class A Common Stock of DWL US ("DWL US Common Shares").

25. Either a special meeting of the shareholders of the Corporation will be held prior to the closing of the Transactions, or the Corporation will obtain a written resolution executed by each of the shareholders of the Corporation, to approve the Articles of Amendment. DWL or DWL US shall provide each shareholder of the Corporation resident in Ontario with a notice of the special meeting, or, if proceeding by way of written resolution, the text of a special resolution, providing an explanation of the Transactions.

26. Upon completion of the Transactions, DWL will be a wholly-owned subsidiary of Subco which will hold all of the voting shares of DWL. Subco will be a wholly-owned subsidiary of DWL US, which will hold all of Subco's outstanding shares. Accordingly, DWL US, through its ownership of Subco, will indirectly control DWL.

27. The Transaction Documents will be entered into on the Effective Date by InSight, MMC, DWL, DWL US and VenGrowth and will set out and describe the Transactions and the various steps involved therein, including (i) the incorporation of Subco by DWL US, (ii) the Articles of Amendment, (iii) the agreement of InSight and MMC to subscribe for the DWL US Preferred Shares, (iv) the acquisition by InSight of VenGrowth's interest in DWL and (v) the exchange of existing DWL Options into DWL US Options.

28. As part of the Transactions and pursuant to the Articles of Amendment, each DWL Common Share will be changed into an Exchangeable Share. The

Exchangeable Shares will be exchangeable at any time by the holder thereof for DWL US Common Shares, on a one-for-one basis.

29. In conjunction with the rights and benefits under the Voting Trust Agreement (as described in paragraph 31) and the Support Agreement (as described in paragraph 32), the Exchangeable Shares will provide the holders thereof (the "Exchangeable Shareholders") with a security of a Canadian issuer having economic and voting rights which are, as nearly as practicable, equivalent to those of the DWL US Common Shares. Exchangeable Shares will generally be received on a tax-deferred rollover basis.

30. Except as required by law, the Exchangeable Shares will be non-voting. However, in accordance with the Voting Trust Agreement, each Exchangeable Share will entitle the holder thereof to voting rights in DWL US which are equivalent to the voting rights attached to one DWL US Common Share. In addition, Exchangeable Shareholders will be entitled to receive dividends from DWL payable at the same time, and in the Canadian dollar equivalent of, dividends payable by DWL US on each DWL US Common Share. In this respect, additional Exchangeable Shares may be issued to maintain equivalence.

31. On the Effective Date, DWL US will issue to an independent trustee (the "Trustee") one Class B Common Share (the "Special Voting Share") which will have certain voting rights that the Trustee will exercise on behalf of the Exchangeable Shareholders (excluding DWL US and its affiliates) pursuant to a Voting and Exchange Trust Agreement to be entered into by DWL, DWL US and the Trustee (the "Voting Trust Agreement"). As the registered holder of the Special Voting Share, the Trustee will be entitled, at DWL US stockholder meetings, to cast the number of votes equal to the number of votes which would attach to the DWL US Common Shares for which the Exchangeable Shares outstanding at such time (excluding those owned by DWL US and its affiliates) are then exchangeable. These voting rights will be exercised by the Trustee upon instructions received from time to time from such Exchangeable Shareholders (other than DWL or its affiliates).

32. On the Effective Date, DWL US, Subco and DWL will enter into a support agreement (the "Support Agreement") pursuant to which DWL US will agree, among other things, to not declare or pay any dividend on the DWL US Common Shares unless DWL simultaneously declares or pays, as the case may be, an equivalent dividend on the Exchangeable Shares.

33. Each Exchangeable Share will be exchangeable for a DWL US Common Share at the option of the holder at any time, through a retraction provision attached to the Exchangeable Shares (the "Retraction Right"). Subject to the Retraction Call Right of Subco and/or DWL US described below, upon retraction the holder will be entitled to receive from DWL for each Exchangeable Share held (subject to adjustment for certain dilutive events) an amount equal to the market price of one DWL US Common Share, which amount will be satisfied by the delivery on behalf of DWL of one DWL US Common Share, plus an additional amount equivalent to the full amount of all declared and unpaid dividends on each such Exchangeable Share retracted. Upon being notified by DWL of a proposed retraction by a holder of Exchangeable Shares, Subco will have an overriding call right (the "Retraction Call Right") to purchase the Exchangeable Shares that are the subject of the retraction notice for a price per share equal to the market price of one DWL US Common Share, which will be satisfied by delivery by or on behalf of Subco of one DWL US Common Share, plus the full amount of all declared and unpaid dividends on each such Exchangeable Share retracted.

34. Pursuant to the Voting Trust Agreement and the Exchangeable Share provisions (the "Exchangeable Share Provisions") and subject to the Liquidation Call Right of Subco and/or DWL US described below, upon the liquidation, dissolution or winding-up of DWL, an Exchangeable Shareholder will have the right to require (the "Exchange Right") Subco and/or DWL US to purchase any or all of such shareholder's Exchangeable Shares held at an amount per share equal to the market price of one DWL US Common Share, which will be satisfied by delivery of one DWL US Common Share, together with the full amount of all declared and unpaid dividends on each such Exchangeable Share exchanged. Upon a proposed liquidation, dissolution or winding-up of DWL, Subco and/or DWL US will have an overriding call right (the "Liquidation Call Right") to purchase each outstanding Exchangeable Share for a price per share equal to the market price of one DWL US Common Share, which shall be satisfied by the delivery by or on behalf of Subco and/or DWL US of one DWL US Common Share, plus the full amount of all declared and unpaid dividends on each such Exchangeable Share exchanged.

35. Pursuant to the Voting Trust Agreement, in the event of a voluntary liquidation, dissolution or wind-up of DWL US, each Exchangeable Share will be automatically exchanged (the "Automatic Exchange Right") for one DWL US Common Share, plus the full amount of all declared and unpaid dividends on each such Exchangeable Share exchanged.

36. Pursuant to the Exchangeable Share Provisions and subject to the Redemption Call Right of Subco and/or DWL US described below, DWL will redeem (the "Redemption Right") all of the Exchangeable Shares then outstanding upon the earlier of (a) the date to be set out in the Exchangeable Share Provisions, and (b) the occurrence of certain specified events including upon there remaining less than a specified number of Exchangeable Shares outstanding. Upon any such redemption by DWL, each Exchangeable Shareholder will be entitled to receive from DWL for each Exchangeable Share redeemed, an amount equal to the market price of one DWL US Common Share, which amount will be satisfied by the delivery on behalf of DWL of one DWL US Common Share, plus the full amount of all declared and unpaid dividends on each

such redeemed share. Upon being notified by DWL of a proposed redemption of any Exchangeable Shares, Subco and/or DWL US will have an overriding call right (the "Redemption Call Right") to purchase all but not less than all such shares for a price per share equal to the market price of one DWL US Common Share which shall be satisfied by the delivery by or on behalf of Subco and/or DWL US of one DWL US Common Share, plus the full amount of all declared and unpaid dividends on each such redeemed share.

37. An Exchangeable Shareholder will no longer be a beneficiary of the Trust that holds the Special Voting Share once all of such shareholder's Exchangeable Shares have been exchanged or purchased for DWL US Common Shares.

38. Assuming the exchange of all Exchangeable Shares for DWL US Common Shares, immediately after the completion of the Transactions, all persons or companies who are resident in Ontario will possess an economic interest in DWL US Common Shares representing approximately 40% of the total issued and outstanding DWL US Common Shares as of the closing date of the Transactions.

39. The trades and possible trades in securities (the "Trades") to which the Transactions give rise and which are subject to the Act are the following:

(a) the transfer by the three founders of DWL (the "Founders") of the shares of their holding companies (which hold DWL Common Shares) to DWL in exchange for Special Shares and DWL Common Shares;

(b) the issuance by Subco to DWL US of Sucbo Common Shares in exchange for a promissory note previously issued by DWL to DWL US;

(c) the issuance by DWL to Subco of shares of DWL in exchange for cancellation of the promissory note referred to in the Trade outlined in (b) above;

(d) the exchange by VenGrowth of its DWL Preferred Shares for DWL US Preferred Shares;

(e) the redemption by DWL US of the DWL US Preferred Shares held by VenGrowth, in exchange for cash and a promissory note;

(f) the transfer by the Founders of their Special Shares to Subco;

(g) the issuance to holders of DWL Common Shares of Exchangeable Shares, pursuant to the share exchange effected by the Articles of Amendment;

(h) the grant of DWL US Options to holders of DWL Options upon the exchange of such DWL Options;

(i) the issuance of DWL US Common Shares upon the exercise of DWL US Options;

(j) the grant by DWL US of the Automatic Exchange Right and the Exchange Right to the Trustee, on behalf of the Exchangeable Shareholders;

(k) the issuance of DWL US Common Shares to the Exchangeable Shareholders upon exercise of the Automatic Exchange Right;

(l) the issuance of DWL US Common Shares to the Exchangeable Shareholders upon exercise of the Exchange Right;

(m) the issuance by DWL US of the Special Voting Share to the Trustee;

(n) the creation in favour of Subco or DWL US of the Liquidation Call Right, the Redemption Call Right and the Retraction Call Right;

(o) the issuance of DWL US Common Shares to Exchangeable Shareholders in connection with the Retraction Right;

(p) the issuance or transfer of DWL US Common Shares to Exchangeable Shareholders in connection with the exercise by Subco or DWL US of the Retraction Call Right;

(q) the issuance or transfer of DWL US Common Shares to Exchangeable Shareholders in connection with the Redemption Right;

(r) the issuance or transfer of DWL US Common Shares to Exchangeable Shareholders in connection with the exercise by Subco or DWL US of the Redemption Call Right; and

(s) the issuance or transfer of DWL US Common Shares to Exchangeable Shareholders in connection with the exercise by Subco or DWL US of the Liquidation Call Right.

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 to the extent that there are no exemptions available from sections 25 and 53 of the Act in respect of any of the Trades, such Trades are not subject to sections 25 and 53 of the Act, provided that:

1. the first trade in Exchangeable Shares other than the exchange thereof for DWL US Common Shares in accordance with the terms of the Exchange Trust Agreement shall be deemed to be a distribution; and

2. the first trade in DWL US Common Shares or DWL US Preferred Shares issued pursuant to this Ruling shall be deemed to be a distribution.

August 14, 2001.

"J. A. Geller" "R. Stephen Paddon"

2.3.2 International DataCasting Corporation and Capital Alliance Ventures Inc. - ss. 59(1)

Headnote

Subsection 59(1) of Schedule 1 – issuers exempt from payment of fees calculated pursuant to section 28(3) of the Schedule subject to certain conditions, which fees would otherwise be payable as a result of an amalgamation for restructuring purposes – no change in beneficial ownership of securities and issuers did not receive any proceeds from the distributions of securities.

Statutes Cited

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

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., ss. 28(3), 59(1) of Schedule 1.

Rules Cited

Rule 45-501 Exempt Distributions (1998) 21 O.S.C.B. 6548.

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

AND

IN THE MATTER OF THE REGULATION UNDER THE SECURITIES ACT, R.R.O. 1990, REGULATION 1015, AS AMENDED (THE "REGULATION")

AND IN THE MATTER OF INTERNATIONAL DATACASTING CORPORATION AND CAPITAL ALLIANCE VENTURES INC.

RULING
(Subsection 59(1) of the Schedule)

UPON the application (the "Application") of International Datacasting Corporation ("IDC") and Capital Alliance Ventures Inc. ("CAVI") (collectively, the "Applicants") to the Ontario Securities Commission (the "Commission") for a ruling pursuant to subsection 59(1) of Schedule I to the Regulation (the "Schedule") exempting the Applicants from payment in part of the fee payable pursuant to subsection 23(3) of the Schedule;

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

AND UPON the Applicants having represented to the Commission that:

1. IDC is a corporation existing under and governed by the *Canada Business Corporations Act* which was incorporated on January 28, 1987.

2. IDC is and has been a reporting issuer in the province of Ontario, since at least February 3, 1988 and is also a reporting issuer in the provinces of British Columbia and Quebec.

3. The common shares of IDC (the "Common Shares") are listed and posted for trading on the Toronto Stock Exchange.

4. CAVI is a community small business investment fund incorporated under the *Canada Business Corporations* Act on July 29, 1994. CAVI was registered as a labour-sponsored venture capital corporation under the *Income Tax Act (Canada)* on July 29, 1994 and as a labour sponsored investment fund corporation under the *Community Small Business Investment Funds Act (Ontario)* on August 31, 1994.

5. 1457461 Ontario Inc. ("IDC HOLDCO"), a private company incorporated under the *Business Corporations Act* (Ontario), is a principal shareholder of IDC in that it owns approximately 42% of the issued and outstanding Common Shares.

6. IDC HOLDCO's sole purpose is to hold Common Shares beneficially owned by CAVI and other shareholders consisting principally of directors and employees of IDC. IDC HOLDCO does not carry on an active business and has no material liabilities and assets other than Common Shares.

7. CAVI is the majority shareholder of IDC HOLDCO in that it owns approximately 54% of its Class A voting shares which are issued and outstanding and all of the Class B non-voting shares which are issued and outstanding. In addition to its indirect beneficial interest in the Common Shares through its shares of IDC HOLDCO, CAVI holds 833,333 Common Shares directly.

8. CAVI directly or indirectly through IDC HOLDCO owns or exercises control or direction over approximately 35% of the issued and outstanding Common Shares.

9. IDC and IDC HOLDCO are proposing to amalgamate (the "Proposed Amalgamation"). The Proposed Amalgamation was approved by the shareholders of IDC and IDC HOLDCO at meetings of the shareholders of IDC and IDC HOLDCO held on July 18, 2001.

10. After the Proposed Amalgamation takes effect, the nature and the extent of the equity participation of IDC's shareholders will be the same as, and the value of their equity participation will not be less than, the value of their Common Shares before the Proposed Amalgamation.

11. CAVI has agreed to pay for all of the costs and expenses associated with the Proposed Amalgamation and has agreed to indemnify IDC and its successor corporation from any liabilities of IDC HOLDCO that IDC will assume as a result of the Proposed Amalgamation.

12. The Proposed Amalgamation will have no adverse economic effect on, or adverse tax consequences to, and will not prejudice IDC HOLDCO, IDC, its successor or their respective shareholders generally.

13. The distribution of shares of IDC's successor in the course of the Proposed Amalgamation will be effected in reliance upon the prospectus exemptions provided for in clause 72(1)(i) of the Act and section 2.8 of the Commission's Rule 45-501.

14. The Proposed Amalgamation is an internal corporate reorganization and will not result in a change of beneficial ownership of the Common Shares held through IDC HOLDCO. IDC (including its successor) will not be receiving any proceeds from the distribution of shares described in paragraph 13 hereof.

15. In the absence of the relief provided by this ruling and pursuant to the formula in subsection 23(3) of the Schedule, the Applicants would be required to pay a fee of over $5,000.00, based on a rolling thirty-day average of the closing price for the Common Shares, as a result of the Proposed Amalgamation.

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

IT IS RULED pursuant to subsection 59(1) of the Schedule that IDC and CAVI are exempt from the requirement to pay the fee otherwise payable pursuant to subsection 23(3) of the Schedule in connection with the Proposed Amalgamation, provided that the minimum fee of $80.00 is paid.

August 17, 2001.

"Paul Moore" "R. Stephen Paddon"

Chapter 3

Reasons: Decisions, Orders and Rulings

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Rescinding Order
William Multi-Tech Inc.	04 Jun 01	15 Jun 01	15 Jun 01	17 Aug 01
Benz Energy Inc. Cosgrove-Moore Bindery Services Limited	03 Aug 01	15 Aug 01	16 Aug 01	-
AimGlobal Technologies Company Inc.	22 Aug 01	04 Sep 01	-	-

4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Dotcom 2000 Inc.	29 May 01	11 Jun 01	11 Jun 01	-	23 Jul 01
St. Anthony Resources Inc.	29 May 01	11 Jun 01	11 Jun 01	23 Jun 01	-
Galaxy OnLine Inc. Melanesian Minerals Corporation	29 May 01	11 Jun 01	11 Jun 01	24 Jul 01	-
Brazilian Resources, Inc. Link Mineral Ventures Ltd. Nord Pacific Limited	30 May 01	12 Jun 01	12 Jun 01	-	23 Jul 01
Landmark Global Financial Corp.	30 May 01	12 Jun 01	12 Jun 01	28 Jun 01	-
Dominion International Investments Inc.	12 Jun 01	25 Jun 01	25 Jun 01	-	23 Jun 01
Zamora Gold Corp.	13 Jun 01	26 Jun 01	26 Jun 01	18 Jul 01	-
Consumers Packaging Inc.	20 Jun 01	03 Jul 01	-	05 Jul 01	-
Systech Retail Systems Inc.	27 Jun 01	10 Jul 01	10 Jul 01	-	-
United Trans-Western, Inc.	05 Jul 01	18 Jul 01	19 Jul 01	-	23 Jun 01
Digital Duplication Inc.	10 Jul 01	23 Jul 01	23 Jul 01	-	-
Online Direct Inc.	22 Aug 01	04 Sep 01	-	-	-

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Chapter 5

Rules and Policies

THERE IS NO MATERIAL FOR THIS CHAPTER

IN THIS ISSUE

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Chapter 6

Request for Comments

6.1.1 Notice and Proposed Amendment to Rule 61-501

**NOTICE OF PROPOSED AMENDMENT TO RULE 61-501
UNDER THE SECURITIES ACT
INSIDER BIDS, ISSUER BIDS, GOING PRIVATE TRANSACTIONS
AND RELATED PARTY TRANSACTIONS
(Canadian Venture Exchange Issuers)**

Substance and Purpose of Proposed Amendment

Rule 61-501 *Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions* ("Rule 61-501") came into force on May 1, 2000, replacing former OSC Policy Statement No. 9.1. The protections afforded by Rule 61-501 include independent valuations, minority shareholder approval and enhanced disclosure. The purpose of the proposed amendment is to add a new exemption from the requirement to obtain an independent, formal valuation for related party transactions that are subject to, and carried out in accordance with, Canadian Venture Exchange ("CDNX") Policy 5.9 *Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions* ("Policy 5.9").

In its application to the Commission for exemption from recognition as a stock exchange, which was published in (2000), 23 OSCB 6058 (September 1, 2000), CDNX stated its intention to adopt Policy 5.9, which would essentially make Rule 61-501 a policy of CDNX, subject to the addition of certain exemptions. The application also contemplated that CDNX staff would assist OSC staff in formulating exemptions from Rule 61-501 for junior issuers, particularly in regard to exemption from valuation requirements. As published in (2000), 23 OSCB 8437 (December 22, 2000), the exemption application was granted, and CDNX adopted Policy 5.9 effective as of June 30, 2001.

Policy 5.9 applies to all CDNX issuers regardless of whether they are reporting issuers in Ontario. A copy of CDNX Policy 5.9 is contained in Appendix A of this Notice. In order to recognize the unique status of CDNX issuers as developing companies, Policy 5.9 contains five exemptions from the formal valuation requirements (the "Exchange Valuation Exemptions") for related party transactions, in addition to the exemptions contained in Rule 61-501. The Exchange Valuation Exemptions will apply to certain types of related party transactions that are subject to review by CDNX.

The Commission proposes to incorporate the Exchange Valuation Exemptions into the Rule, so that all CDNX issuers will have the benefit of the Exchange Valuation Exemptions, even if they are reporting issuers in Ontario.

Summary of the Proposed Amendment

Section 5.5 of Rule 61-501 requires an issuer involved in a related party transaction to obtain an independent formal valuation of the subject matter of the related party transaction. Section 5.6 of Rule 61-501 sets out exemptions from the formal valuation requirement.

The Commission proposes to amend Rule 61-501 to provide an additional exemption from the formal valuation requirement where the issuer is subject to Policy 5.9 and has an Exchange Valuation Exemption. This new exemption will give CDNX issuers that are reporting issuers in Ontario the same treatment with respect to the requirements of Rule 61-501 as is given to CDNX issuers that are not reporting issuers in Ontario.

Authority for Proposed Amendment

Paragraph 143(1)28 of the *Securities Act* (Ontario) (the "Act") authorizes the Commission to make rules regulating, among other things, related party transactions, including prescribing requirements for disclosure and valuations.

Alternatives Considered

The Commission considered maintaining the status quo with respect to the applicability of Rule 61-501 to CDNX issuers, that is, applying Rule 61-501 as it currently exists to CDNX issuers that are reporting issuers in Ontario. However, this would result in different treatment between CDNX issuers depending upon whether they are reporting issuers in Ontario. The Commission determined that the Exchange Valuation Exemptions are reasonable alternatives to the formal valuation requirement for CDNX issuers.

Unpublished Materials

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

Anticipated Costs and Benefits

The proposed amendment to Rule 61-501 will benefit CDNX issuers that are reporting issuers in Ontario, as there will be fewer circumstances under which they will be required to undergo the expense of having a formal valuation prepared. There are no anticipated costs associated with the proposed amendment.

Regulations Revoked or Amended

The proposed amendment does not require any regulations to be revoked or amended.

Comments

Interested parties are invited to make written submissions with respect to the proposed amendment. Submissions received by November 26, 2001 will be considered.

Submissions should be sent to:

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 800, Box 55
Toronto, Ontario M5H 3S8
jstevenson@osc.gov.on.ca

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

Questions may be referred to:

Ralph Shay
Director, Take-over/Issuer Bids, Mergers & Acquisitions
Ontario Securities Commission
(416) 593-2345

Proposed Amendment

The text of the proposed amendment follows.

August 24, 2001.

APPENDIX A

POLICY 5.9

INSIDER BIDS, ISSUER BIDS, GOING PRIVATE TRANSACTIONS AND RELATED PARTY TRANSACTIONS

Scope of Policy

This Policy incorporates Ontario Securities Commission ("OSC") Rule 61-501, Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions (the "OSC Rule"), together with the Companion Policy 61-501CP (the "OSC Policy"), as they exist as at September 1, 2000 as a policy of the Exchange, subject to certain modifications. In addition to the stated exemptions in the OSC Rule, this Policy also provides certain **additional exemptions**. A complete copy of the OSC Rule and OSC Policy can be found on the OSC's website at **www.osc.gov.on.ca.** The text of the OSC Rule and OSC Policy have also been incorporated, respectively, as Appendix 5B and Appendix 5C to the Exchange's Corporate Finance Manual.

The main headings of this Policy are:

1. Definitions
2. Effective Date of this Policy
3. Application of the OSC Rule and OSC Policy
4. Exchange Valuation Exemptions

1. **Definitions**

1.1 Definitions contained in the OSC Rule and OSC Policy that are inconsistent with definitions contained within other Exchange policies shall be applicable only to the interpretation of this Policy.

1.2 References in the OSC Rule and OSC Policy to the "Director", for the purposes of this Policy, shall refer to a Vice-President, Corporate Finance of the Exchange.

1.3 **"Feasibility Study"** for the purpose of this Policy, means a comprehensive study of a deposit in which all geological, engineering, operating, economic and other relevant factors are considered in sufficient detail to serve as the basis for a qualified person experienced in mineral production activities, acting reasonably, to make a final decision on whether to proceed with development of the deposit for mineral production.

1.4 **"Independent Committee"** for the purpose of this Policy, means a committee consisting exclusively of two or more Independent Directors.

1.5 **"Independent Directors"** for the purpose of this Policy, means for an Issuer, a director who is neither an employee, senior officer, Control Person or management consultant of the Issuer or its Associates or Affiliates and is otherwise independent as determined in accordance with section 7.1 of the OSC Rule.

1.6 **"Related Party" and "Related Party Transaction"** have the meaning ascribed to such terms in the OSC Rule.

1.7 **"Unrelated Investors"** for the purpose of this Policy, means Persons who are not Related Parties of the Issuer or the Target Issuer and who are not members of the Pro Group.

2. Effective Date of this Policy

2.1 This Policy shall become effective June 30, 2001 (the "Effective Date"). Prior to the Effective Date of this Policy, the Exchange may nevertheless use this Policy as a guideline.

3. Application of the OSC Rule and OSC Policy

3.1 The Exchange considers it appropriate to have policies providing guidance in respect of insider bids, issuer bids, going private transactions and related party transactions, and in particular concerning the circumstances in which disinterested shareholder approval, valuations, independent board committee approval and enhanced disclosure are required. On May 1, 2000, the OSC Rule and the OSC Policy became effective, replacing the former OSC Policy 9.1. Although the Exchange is considering adoption of its own separate policy, the Exchange considered the OSC Rule and the OSC Policy and determined that in an effort to create a national, harmonized set of rules, it would adopt the OSC Rule and the OSC Policy as a CDNX policy.

3.2 On the Effective Date, this Policy will apply to all Issuers listed on CDNX or seeking listing on CDNX, regardless of whether the Issuer is a reporting issuer in Ontario. References in either the OSC Rule or the OSC Policy to their application to Ontario reporting issuers, for the purposes of this policy, shall be considered to be references to Issuers listed on CDNX.

3.3 Subject to the modifications described in this Policy, and in particular the additional exemptions set forth in section 4 of this Policy, the OSC Rule and the OSC Policy are adopted, in their entirety, as a Corporate Finance policy of the Exchange as at the Effective Date.

3.4 Prior to the Effective Date, the Exchange will be reviewing its other corporate finance policies to minimize any conflicts or inconsistencies created by the introduction of this Policy and to provide appropriate cross-references and clarifications.

3.5 A number of Exchange policies may be impacted by the adoption of the OSC Rule and the OSC Policy, including the following:

(a) Policy 2.4, Capital Pool Companies,

(b) Policy 4.1, Private Placements,

(c) Policy 5.2, Changes of Business and Reverse Take-Overs,

(d) Policy 5.3, Acquisitions and Dispositions of Non-Cash Assets,

(e) Policy 5.5, Stock Exchange Take-Over Bids and Issuer Bids, and

(f) Policy 5.6, Normal Course Issuer Bids.

4. Exchange Valuation Exemptions

4.1 The OSC Rule contains various provisions exempting issuers from its application. In regard to valuations, the OSC Rule sets out various situations in which an Issuer is exempt from the requirement to obtain an independent valuation. In addition to the stated exemptions in the OSC Rule and subject to sections 4.3 and 4.4 below, the Exchange will also generally exempt an Issuer from the requirement of an independent valuation ("Exchange Valuation Exemptions") in the course of Exchange acceptance of a Related Party Transaction in connection with a:

- Qualifying Transaction by a Capital Pool Company;
- Change of Business;
- Reviewable Acquisition;
- Reviewable Disposition; or
- Reverse Take-Over or such other transaction deemed to be a Reverse Take-Over by the Exchange notwithstanding that the transaction may not be a reverse take-over for accounting purposes;

provided that one of the following circumstances is met:

(a) the fair market value of the assets, business or securities is "indeterminate" with reference to the criteria described in section 4.5 below; or

(b) the transaction constitutes the acquisition or disposition of an oil and gas property in North America and the Issuer has obtained an independent engineering or geological report, which provides a value of proved and probable reserves based on constant dollar pricing presented at discount rates of 10%, 15% and 20%, with probable reserves discounted a further 50%; or

(c) the transaction constitutes the acquisition or disposition of a mineral resource property and the Issuer has obtained a Feasibility Study based on proven and probable reserves that demonstrates a minimum three year mine life; or

(d) the transaction constitutes an acquisition by either a CPC or an Issuer that does not meet Tier 2 Tier Maintenance Requirements such that the Issuer could be designated Inactive, and the consideration to be paid consists solely of equity securities of the Issuer and the Issuer is conducting a concurrent financing constituting the issuance of equity securities provided that:

(i) the product obtained by multiplying the gross proceeds of the financing by the inverted fractional interest that the concurrent financing subscribers will own of the Issuer, less net tangible assets of the Issuer, is equal to or greater than the total of the deemed value of the securities being issued for the assets, business or securities to be acquired;

(ii) Unrelated Investors purchase equity securities in the concurrent financing representing 20% or more of the total issued and outstanding equity securities of the Issuer after giving effect to both the concurrent financing and the transaction; and

(iii) Unrelated Investors contribute at least 2/3 of the aggregate proceeds of the concurrent financing.

Eg. An Issuer has outstanding 5,000,000 Listed Shares and is conducting an acquisition of a private start-up technology company, Targetco. The purchase price for all of the issued and outstanding shares of Targetco is to be the issuance by the Issuer of 10,000,000 Listed Shares at $0.30 (ie. a deemed value of $3,000,000) to acquire all of the issued and outstanding shares of Targetco. Concurrently with the acquisition, the Issuer is conducting a financing to arm's length subscribers, issuing 5,000,000 Listed Shares at $0.30 to raise total gross proceeds of $1,500,000. In this example, the Issuer has no net tangible assets other than the cash raised on the financing in the amount of the $1,500,000

The subscribers to the concurrent financing will own 25% of the Resulting Issuer, assuming completion of both the acquisition and the financing. Accordingly, the required 20% minimum has been met and the financing can be used as an alternative method of valuation.
Based on the financing, the Exchange will accept a deemed value for Targetco of up to $4,500,000.

The $4,500,000 is calculated by multiplying the gross proceeds of the concurrent financing (ie. $1,500,000) by the inverted fractional interest that the concurrent financing subscribers will own of the Resulting Issuer. (ie. 25% is 25/100 which, when inverted is 100/25) less net tangible assets of the Issuer (which, in this case, are confined to $1,500,000). $4,500,000 ($1,500,000 x 100/25 - $1,500,000) is the maximum deemed value attributable to Targetco. Since the Issuer only intends to pay a deemed price of $3,000,000, the consideration to be paid is acceptable.

4.2 Subject to sections 4.3 and 4.4 below, an Exchange Valuation Exemption will also generally be available to an Issuer in the course of Exchange acceptance of a Private Placement which is a Related Party Transaction:

(a) where the fair market value of the Issuer's securities is "indeterminate" with reference to the criteria described in section 4.5 below; or

(b) where:

(i) a liquid market (as defined in paragraph 1.3(1)(a) of the OSC Rule) does not exist for the securities of the Issuer at the time the transaction is agreed to;

(ii) the Exchange's normal pricing policies will be applied in fixing the price of the equity securities purchased on the Private Placement;

(iii) Unrelated Investors contribute at least 2/3 of the aggregate proceeds of the Private Placement; and

(iv) the pro rata share of the total issued and outstanding equity securities of the Issuer owned by any Related Party of the Issuer will not increase after giving effect to the Private Placement.

4.3 Where an Issuer relies upon the Exchange Valuation Exemptions:

(a) the Issuer must provide to the Exchange a certificate in accordance with section 4.4 below, executed by either a majority of the board of directors of the Issuer which must include two or more Independent Directors or an Independent Committee;

(b) the contents of the Certificate must be disclosed in any Information Circular or Filing Statement provided to shareholders in connection with the transaction; and

(c) any securities issued in consideration for such assets, business or securities will be subject to escrow or other resale restrictions as prescribed by the Exchange. See *Policy 5.4 - Escrow and Vendor Consideration.*

4.4 The certificate referred to in section 4.3 above shall provide:

(a) disclosure with respect to the Exchange Valuation Exemption being relied upon and the basis for such reliance;

(b) disclosure of the manner in and basis upon which price or value was determined;

(c) that either a majority of the board of directors of the Issuer including two or more Independent Directors or the Independent Committee, having made reasonable inquiry, have:

(i) no knowledge of a Material Change or Material Fact concerning the Issuer or its securities that has not been generally disclosed; and

(ii) no reason to believe it is inappropriate to apply the Exchange's normal pricing policies; and

(d) in respect of the exemptions set forth in subsections 4.1(a) and 4.2(a) above, the certificate must also state that:

(i) either a majority of the board of directors of the Issuer including two or more Independent Directors or the Independent Committee, acting in good faith, reasonably believe that the fair market value of the assets, business or securities is "indeterminate" with reference to the criteria described in section 4.5; and

(ii) there has been disclosure of the manner and basis upon which the consideration to be paid for the assets, business or securities was determined including, without limitation, reference to net tangible asset value;

(e) in respect of the exemption set forth in subsection 4.1(d) above, the certificate must also state that:

(i) prior to making their investment, the Unrelated Investors will have received disclosure in the Information Circular or offering memorandum, as the case may be, of all matters relating to or affecting the concurrent financing and the transaction;

(ii) prior to voting on the transaction, the shareholders of the Issuer will have received disclosure in the Information Circular of all matters relating to or affecting the concurrent financing and the transaction; and

(iii) either a majority of the board of directors of the Issuer including two or more Independent Directors or the Independent Committee, having made reasonable inquiry, have no knowledge of any matter that might impact upon the deemed value determined in subsection 4.1(d).

(f) in respect of the exemption set forth in subsection 4.2(b) above, that the pro rata share of the total issued and outstanding equity securities of the Issuer owned by any Related Party of the Issuer will not increase after giving effect to the Private Placement.

4.5 The Exchange will generally consider assets, businesses or securities to be of "indeterminate" value where:

(a) the Issuer has demonstrated, to the satisfaction of the Exchange, a minimal history of commercial operations (less than one full fiscal year); and

(b) financial statements relating to such assets, business or securities evidence:

(i) no cumulative earnings since commencement of operations;

(ii) either no sales or revenues or minimal cumulative sales or revenues derived from operations (less than $1,000,000 since the commencement of operation of such assets or business); and

(iii) no positive cash flow or a minimal history of positive cash flow (two or fewer quarterly reporting periods).

4.6 The Exchange exemptions from the valuation requirements are only exemptions from the application of this Policy. An Issuer that is a reporting issuer in Ontario and is therefore directly subject to the OSC Rule and OSC Policy cannot rely upon the Exchange Valuation Exemptions to exempt them from the requirements of the OSC Rule and OSC Policy.

4.7 Where an Issuer is a reporting issuer in Ontario and the Issuer seeks an exemption from the OSC Rule or OSC Policy from the OSC, the Issuer must make application to the OSC with a copy of such application and all subsequent correspondence being provided to the Exchange. Where an exemption or waiver is permitted by the OSC, the Exchange will generally defer to the decision of the OSC.

4.8 Where an Issuer is not a reporting issuer in Ontario and is not directly subject to the OSC Rule and OSC Policy and seeks only an exemption from this Policy 5.9, the Issuer will make application for exemption or waiver of this Policy solely to the Exchange.

AMENDMENT TO OSC RULE 61-501 INSIDER BIDS, ISSUER BIDS, GOING PRIVATE TRANSACTIONS AND RELATED PARTY TRANSACTIONS

PART 1 AMENDMENT

1.1 **Amendment** - Rule 61-501 Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions is amended by the addition of the following paragraph 17 to section 5.6:

"17. Canadian Venture Exchange Policy 5.9 - The issuer is listed on the Canadian Venture Exchange ("CDNX"), the transaction qualifies for an Exchange Valuation Exemption as defined in Policy 5.9 of CDNX, *Issuer Bids, Insider Bids, Going Private Transactions and Related Party Transactions*, the transaction is carried out in full compliance with such Policy and CDNX unconditionally approves the transaction."

PART 2 EFFECTIVE DATE

2.1 **Effective Date** - This amendment comes into force on •, 2001.

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

Exempt Financings

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

Reports of Trades Submitted on Form 45-501f1

Trans. Date	Security	Price ($)	Amount
30Jul01 to 03Aug01	724 Solutions Inc. - Common Shares	331,824	39,100
01Aug01	Abria Diversified Arbitrage Trust - Class B Units	714,476	46
16Aug01	Antrim Energy Inc. - Special Warrants	850,000	680,000
27Jul01	Arrow Global MultiManager Fund - Class A trust units	150,000	15,353
27Jul01	Arrow Global MultiManager II Fund - Class I trust units	150,000	1,533
Jul01	Asset Allocation Private Trust - Units	1,929,041	189,580
31May01	Bank of Ireland Asset Management Limited - Units	500,000	42,631
01Aug01	Bombardier Inc. - Senior Unsecured Floating Rate Notes due August 30, 2002	283,000,000	283,000
01Jan01 to 30Jun01	CALP RSP Trust - Units	620,195	51,521
01Jan01	Canadian Advantage Limited Partnership - Units	373,975	4,631
29Jun01	CI Trident Fund - Units	500,000	2,891
31Jul01	CMS Entrepreneurial Real Estate Fund III, L.P. - Units	177,862	0.05
31Jul01	CMS Entrepreneurial Real Estate Fund III-Q, L.P. - Units	1,078,320	1
16Aug01	CMS Private Equity Partners XVIII-Q, L.P. - Units	385,000	0.10
01Jul01 to 31Jul01	Cranston, Gaskin, O'Reilly & Vernon - Units	75,020	5,805
31Jul01	Cranston, Gaskin, O'Reilly & Vernon - Units	1,716,004	129,656
01Jul01 to 31Jul01	Cranston, Gaskin, O'Reilly & Vernon - Units	824,515	65,591
01Jul01 to 31Jul01	Cranston, Gaskin, O'Reilly & Vernon - Units	182,171	12,423
01Jul01 to 31Jul01	Cranston, Gaskin, O'Reilly & Vernon - Units	237,756	23,454
02Aug01	DC DiagnosticCare Inc. - Warrants	1,503,776	6,015,106
09Aug01	E.W.M.C. International Inc. - Units	526,125	1,052,250
01Aug01	Edgeflow, Inc. - Series A Preferred Stock	4,227,300	5,500,000
Jul01	Enhanced Equity Private Trust - Units	1,039,526	114,002
31Jul01	Gametele Systems, Inc. - Common Shares	150,000	750,000
30Jul01	Greentree Gas & Oil Ltd. - Common Shares	662,510.	358,114
Jul01	Growth & Income Private Trust - Units	619,211	58,936
27Jul01	GTR Group Inc. - Common Shares	5,173,427	4,247,478

Trans. Date	Security	Price ($)	Amount
10Aug01	Kensington Energy Ltd. - Common Shares	345,800	988,000
30Jun01	Kingwest Avenue Portfolio - Units	4,011,279	199,892
30Jul01	KremeKo Inc. - Common Shares	2,775,000	1,110,000
30Jul01	KremeKo Inc. - Common Shares	725,000	290,000
07Aug01	Leeward Bull & Bear Fund L.P. - Units	150,000	148
06Aug01	Leeward Bull & Bear Fund L.P. - Units	2,445,000	2,445
07Aug01	Maxxum Financial Services - Class A Units	150,000	1,421
03Aug01	Maxxum Financial Services - Class A Units	150,000	1,474
09Aug01	Mobile Computing Corporation - 10% Convertible Debentures due August 8, 2003	1,000,000	1,000,000
08Aug01	NB Capital Mezzanine Fund II, L.P. - Class A Limited Partnership Interests	1,000,000	1,000,000
15Aug01	Ozz Corporation - Common Shares	175,000	300,000
14Aug01	Red Oak Trail Corp. - Units	1,097,000	2,194,000
02Aug01	SolutionInc Limited - Common Shares	250,000	250,000
10Aug01	SouthernEra Resources Limited - Common Shares	9,375,000	2,500,000
28Mar01, 03May01, 10May01, 19Jun01, 22Jun01, 29Jun01, 10Jul01	Stonestreet Limited Partnership - Units	3,783,750	352,824
06Jul01	Think Dynamics Inc. - Series B Convertible Preferred Stock	6,091,600	9,047,522
27Jul01	Trident Global Opportunities Fund - Units	324,788	3,057
10Aug01	Whitehill Technologies - Preferred Shares	5,000,000	14,285,714
02Aug01	Zorin Exploration Ltd. - Common Shares	250,000	250,000
09Aug01	ZTEST Electronics Inc. - Units	150,000	1,333,333

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

Seller	Security	Amount
Black, Conrad M.	Hollinger Inc. - Series II Preference Shares	1,611,039
Gastle, Susan M.S.	Microbix Biosystems Inc. - Common Shares	275,000
Gastle, William J.	Microbix Biosystems Inc. - Common Shares	495,000
RWL Investments Ltd. & Grannyco Investments Ltd.	Wescast Industries Inc. - Class A Subordinate Voting Shares	1,500,000

Chapter 9

Legislation

THERE IS NO MATERIAL FOR THIS CHAPTER

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Domtar Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated August 21st, 2001
Mutual Reliance Review System Receipt dated August 21st, 2001
Offering Price and Description:
$* - 31,900,000 Common Shares. Price: * per Common Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Salomon Smith Barney Canada Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Banc of America Securities Canada Co.
Desjardins Securities Inc.
Promoter(s):
-
Project #381889

Issuer Name:
Home Capital Group Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated August 20th, 2001
Mutual Reliance Review System Receipt dated August 20th, 2001
Offering Price and Description:
$10,560,000: 1,100,000 Class B Subordinate Voting Shares. Price: $9.60 per Class B Subordinate Voting Share
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Promoter(s):
-
Project #381487

Issuer Name:
LionOre Mining International Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated August 22nd, 2001
Mutual Reliance Review System Receipt dated August 22nd, 2001
Offering Price and Description:
CAD$10,850,000 - 10,850 Unsecured Subordinated Debentures and 1,193,500 Common Share Purchase Warrants Issuable Upon Exercise of 10,850 Special Warrants
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
-
Project #382125

Issuer Name:
RBC Advisor U.S. Equity Class
RBC Advisor Short-Term Income Class
RBC Advisor Global Titans Class
RBC Advisor Global Technology Class
RBC Advisor Global Small Cap Equity Class
RBC Advisor Global Resources Class
RBC Advisor Global Infrastructure Class
RBC Advisor Global High Yield Fund
RBC Advisor Global Health Sciences Class
RBC Advisor Global Financial Services Class
RBC Advisor Global Consumer Trends Class
RBC Advisor Global Communications and Media Class
RBC Advisor Global Balanced Class
RBC Advisor Emerging Markets Equity Class
RBC Advisor Blue Chip Canadian Equity Fund
RBC Advisor Canadian Bond Fund (formerly DS Premier Canadian Bond Portfolio)
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated August 20th, 2001
Mutual Reliance Review System Receipt dated August 21st, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Promoter(s):
-
Project #381599

Issuer Name:
The Thomson Corporation
Type and Date:
Preliminary Short Form Shelf Prospectus dated August 21st, 2001
Mutual Reliance Review System Receipt dated August 22nd, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #381953

Issuer Name:
Wheaton River Minerals Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated August 17th, 2001
Mutual Reliance Review System Receipt dated August 20th, 2001
Offering Price and Description:
$5,507,000: 11,000,000 Common Shares and 11,000,000 Warrants issuable upon the exercise of 11,000,000 previously issued Special Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #381277

Issuer Name:
GBC Mutual Funds
Principal Regulator - Quebec
Type and Date:
Amendment #1 dated August 8th, 2001 to Final Simplified Prospectus and Annual Information Form dated April 19th, 2001
Mutual Reliance Review System Receipt dated August 16th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #332814

Issuer Name:
Imaging Dynamics Corporation
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated July 31st, 2001 to Simplified Prospectus and Annual Information Form dated December 12, 2000
Mutual Reliance Review System Receipt dated 7th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #284277

Issuer Name:
Imperial Money Market Pool
Imperial Short-Term Bond Pool
Imperial Canadian Bond Pool
Imperial International Bond Pool
Imperial Canadian Equity Pool
Imperial Registered U.S. Equity Index Pool
Imperial U.S. Equity Pool
Imperial Registered International Equity Index Pool
Imperial International Equity Pool
Imperial Emerging Economies Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated August 8th, 2001 to Final Simplified Prospectus and Annual Information Form dated July 6th, 2001
Mutual Reliance Review System Receipt dated August 16th, 2001
Offering Price and Description:
Mutual Fund Securities - Net Asset Value
Underwriter(s) or Distributor(s):
CIBC Securities Inc.
Promoter(s):
-
Project #358124

Issuer Name:
Industrial Equity Fund Limited
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated July 31st, 2001 to Annual Information Form dated November 30th, 2001
Mutual Reliance Review System Receipt dated 14th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #306509

Issuer Name:
ING Direct Canadian Fund
ING Direct American Fund
ING Direct Global Brand Names Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated July 31st, 2001 to Simplified Prospectus and Annual Information Form dated November 24, 2000
Mutual Reliance Review System Receipt dated 8th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #304068

Issuer Name:
ING US Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated August 15th, 2001 to Final Prospectus dated August 16th, 2001
Mutual Reliance Review System Receipt dated 15th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #284277

Issuer Name:
MAXXUM Canadian Balanced Fund
MAXXUM Canadian Equity Growth Fund
MAXXUM Dividend Fund
MAXXUM Income Fund
MAXXUM Money Market Fund
MAXXUM Natural Resources Fund
MAXXUM Precious Metals Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated July 30th, 2001 to Simplified Prospectus and Annual Information Form dated January 4th, 2001
Mutual Reliance Review System Receipt dated 7th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #307524

Issuer Name:
MAXXUM Canadian Balanced Fund
MAXXUM Canadian Equity Growth Fund
MAXXUM Dividend Fund
MAXXUM Income Fund
MAXXUM Money Market Fund
MAXXUM Natural Resources Fund
MAXXUM Precious Metals Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated July 30th, 2001 to Simplified Prospectus and Annual Information Form dated January 4th, 2001
Mutual Reliance Review System Receipt dated 7th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #307279

Issuer Name:
MAXXUM Canadian Balanced Fund
MAXXUM Canadian Equity Growth Fund
MAXXUM Dividend Fund
MAXXUM Income Fund
MAXXUM Money Market Fund
MAXXUM Natural Resources Fund
MAXXUM Precious Metals Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated July 30th, 2001 to Simplified Prospectus and Annual Information Form dated August 29, 2000
Mutual Reliance Review System Receipt dated 8th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #284373

Issuer Name:
Novitas Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated August 17th, 2001
Mutual Reliance Review System Receipt dated August 17th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Bonterra Energy Corp.
Project #372688

Issuer Name:
Provident Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated August 20th, 2001
Mutual Reliance Review System Receipt dated August 21st, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Promoter(s):
-
Project #379419

Issuer Name:
VINCOR INTERNATIONAL INC.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated August 21st, 2001
Mutual Reliance Review System Receipt dated August 21st, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
TD Securities Inc.
Promoter(s):
-
Project #379707

Issuer Name:
Zargon Oil & Gas Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated August 17th, 2001
Mutual Reliance Review System Receipt dated August 17th, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
-
Project #379569

Issuer Name:
Balanced Income Portfolio
Balanced Growth Portfolio
Long-Term Growth Portfolio
Russell Canadian Fixed Income Fund
Russell Canadian Equity Fund
Russell US Equity Fund
Russell Overseas Equity Fund
(Class B Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated August 10th, 2001
Mutual Reliance Review System Receipt dated 17th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
N/A
Promoter(s):
-
Project #371976

Issuer Name:
Beutel Goodman Corporate/Provincial Active Bond Fund
Beutel Goodman Long Term Bond Fund
Type and Date:
Final Simplified Prospectus and Annual Information Form dated August 17th, 2001
Receipted on 20th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Beutel Goodman Managed Funds Inc.
Beutel Goodman Managed Funds Inc,
Promoter(s):
-
Project #371293

Issuer Name:
Canadian Large Cap Index Fund
Canadian Index Fund
Canadian Fixed Income Index Fund
U.S. MidCap Synthetic Fund
(Class O, I and P Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus and Annual Information Form dated August 10th, 2001
Mutual Reliance Review System Receipt dated 16th day of August, 2001
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #371577

Chapter 12

Registrations

12.1.1 Securities

Type	Company	Category of Registration	Effective Date
New Registration	Kerr Financial Advisors Inc. Attention: Paul Russel Stanfield 1 Place Ville Marie Suite 2131 Montreal QC H3B 2C6	Investment Counsel & Portfolio Manager	Aug 15/01
New Registration	Portfolio Strategies Corporation Attention: Frank Sui-Cheong PA 20 Adelaide Street East Suite 400 Toronto ON M5C 2T6	Mutual Fund Dealer	Aug 16/01
Change of Company Name	Blue Heron Wealth Management Inc. Attention: Stephen Zeff Freedman 40 University Ave Main Floor Toronto ON M5J 1T1	From: The Fund Company Inc.	Jul 25/01

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA Policy 10 - Day Trading Strategy under Regulation 2500

Policy No. 10 is to be read in conjunction with Regulation 2500 – Day Trading. Policy No. 10 sets forth the documentary, procedural and systems requirements for Members to receive approval to promote a day trading strategy without a suitability determination of client trades.

POLICY NO. 10

MINIMUM REQUIREMENTS FOR MEMBERS SEEKING APPROVAL TO PROMOTE A DAY TRADING STRATEGY UNDER REGULATION 2500

The following Policy sets forth the documentary, procedural and systems requirements for Members to receive approval to promote a day trading strategy without a suitability determination of client trades.

1. Written Policies and Procedures

   a) The Member must maintain complete written policies and procedures, which have been approved by the Association, outlining the firm's practices with regard to day trading accounts.

   b) Any material changes to the approved policies and procedures shall be submitted to the Association for approval prior to implementation.

   c) The Member must have a program for communicating these policies and procedures to all applicable personnel as well as ensuring that the policies and procedures are understood, implemented and enforced.

   d) The Member must submit its new client application form and related account documentation for day trading accounts for approval by the Association prior to implementation. The new client application form must include information about:

      (i) the client's financial circumstances including risk capital;
      (ii) the client's investment knowledge;
      (iii) the client's previous trading experience and completion of any relevant industry courses; and
      (iv) an assessment of the client's investment objectives and risk tolerance.

2. Account Opening and Approval

   a) The Member must designate and register a qualified partner, director, officer or in the case of a branch office, a branch manager reporting to the designated person, who shall be responsible for the opening and supervision of day trading accounts.

   b) The responsible partner, director, officer or branch manager must approve the opening of every day-trading account and document with the approval any trading restrictions that apply to the account. The approval must be recorded in writing or an alternative manner acceptable to the Association.

   c) The Member must obtain a complete information package from the prospective client, including all applicable account opening documentation including the new client application form and any applicable agreements.

   d) The Member must provide the prospective client with a risk disclosure document in accordance with section 3 below and, prior to account approval, obtain an acknowledgement that the client has read and understood the risk disclosure document. For accounts such as joint and investment club accounts having more than one direct beneficial owner, the Member must obtain an acknowledgement from all beneficial owners.

   e) The acknowledgements obtained under Section 2 (d) must take the form of a positive act by the client(s), a record of which must be maintained by the Member in an accessible form. Possible forms of the acknowledgement are:

      (i) the client's signature or initials on a new client application form or similar document where the signature or initial specifically relates to the required disclosure and acknowledgement;

      (ii) the clicking of an appropriately labeled button on an electronic account application form, placed directly under the disclosure and acknowledgement text; or

      (iii) the tape recording of a verbal acknowledgement made by telephone.

   f) In order to approve a client's account for a day trading strategy, a responsible partner, director, officer or branch manager must have reasonable grounds for believing that the day trading

strategy is appropriate for the client based upon the information obtained on the new client application form.

g) The Member must ensure that their prospective client has the appropriate level of knowledge to understand the fundamentals and risks of day trading and the Member's order-execution systems and procedures. The Member must ensure that the client has completed a training course to provide such knowledge or has sufficient prior experience and training. The account documentation of any client's not required to complete a training course must clearly state the basis on which the Member assessed the client's background in determining that the client has equivalent training or experience.

h) Where the client is an employee of another Member, written approval to open the account must be obtained from the employer, prior to account opening. All non-client accounts must be readily identifiable.

3. Risk Disclosure Statement

The following risk disclosure statement must be given to the client prior to opening the account unless the Member provides the client with an alternative risk disclosure statement as provided for in Regulation 2500.6 (b).

You should consider the following points before engaging in a day-trading strategy. For purposes of this notice, "day trading" means a trade characterized by the execution of a purchase order and a sale order on the same security on the same day and a "day trading strategy" means a strategy characterized by the transmission by a client of day trade orders.

- **Day trading can be extremely risky**. Day trading generally is not appropriate for someone of limited resources and limited investment or trading experience and low risk tolerance. You should be prepared to lose all of the funds that you use for day trading. In particular, you should not fund day trading activities with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership, or funds required to meet your living expenses.

- **Be cautious of claims of large profits from day trading**. You should be wary of advertisements or other statements that emphasize the potential for large profits in day trading. Day trading can also lead to large and immediate financial losses.

- **Day trading requires knowledge of securities markets**. Day trading requires in-depth knowledge of the securities markets and trading techniques and strategies. In attempting to profit through day trading, you must compete with professional, licensed traders employed by securities firms. You should have appropriate experience before engaging in day trading.

- **Day trading requires knowledge of a firm's operations**. You should be familiar with a securities firm's business practices, including the operation of the firm's order execution systems and procedures. Under certain market conditions, you may find it difficult or impossible to liquidate a position quickly at a reasonable price. This can occur, for example, when the market for a stock suddenly drops, or if trading is halted due to recent news events or unusual trading activity. The more volatile a stock is, the greater the likelihood that problems may be encountered in executing a transaction. In addition to normal market risks, you may experience losses due to system failures.

- **Day trading will generate substantial commissions, even if the per trade cost is low**. Day trading involves aggressive trading, and generally you will pay commissions on each trade. The total daily commissions that you pay on your trades will add to your losses or significantly reduce your earnings. For instance, assuming that the daily commission expenses are approximately $400, an investor would need to generate an annual profit of $100,000 just to cover commission expenses.

- **Day trading on margin or short selling may result in losses beyond your initial investment**. When you day-trade with funds borrowed from a firm or someone else, you can lose more than the funds you originally placed at risk. A decline in the value of the securities that are purchased may require you to provide additional funds to the firm to avoid the forced sale of those securities or other securities in your account. Short selling as part of your day trading strategy also may lead to extraordinary losses, because you may have to purchase a stock at a very high price in order to cover a short position.

- **No advice or suitability determination provided.** [Member Name] will not provide advice or make any recommendations to you regarding your trading activity and will not review the trades made to determine whether they are suitable. You alone will be responsible for your own investment decisions as the Member is prohibited from making a recommendation.

4. Supervision

a) The partner, director, officer or branch manager reporting directly to the designated person, who was designated under section 2(a) of this Policy shall be responsible for the supervision of account activity of day trading accounts. The Member may appoint and register one or more

alternates to such designated person, to ensure continuous supervision.

b) The Member must exercise reasonable diligence to ascertain whether the financial circumstances of a client have changed such that continuing to pursue a day trading strategy is no longer suitable for the client. The Member is further required to establish a set of procedures to be followed when a client is no longer deemed suitable for day trading.

c) The Member must provide the Association with a list of criteria and methods to be used to conduct daily and monthly supervisory reviews of account activity. These reviews should be designed to look for excessive trading losses, employee trading, insider trading, trading in restricted accounts, manipulative or deceptive methods of trading and violations of the trading regulations of any markets on which such trades are effected.

d) The Member must maintain an audit trail of supervisory reviews as required in Policy No. 2.

e) The Member must take appropriate measures to ensure that clients are not provided with advice or recommendations at any time.

5. The Member must address delinquent accounts in a timely manner based on management information reports.

6. Systems and Books and Records

a) The Member must maintain a designated account range specifically for day trading accounts that are opened under the requirements of Regulation 2500 and this Policy.

b) The Member must have a management information system capable of capturing real time trading and pricing data on line. An acceptable day trading management information system must be capable of the following functionality:

(i) production of on-line trading blotter reports containing the following data:

- Trader's ID
- Office Number
- Trader's Name
- Shares Traded
- Open Positions
- Open Position Exposure (real time pricing of position)
- Realized and Unrealized P&L (real time pricing of positions)
- Equity Value (based on computed real time trading and pricing)
- Buying Power (based on opening equity)

(ii) identification, based on defined regulatory parameters of any day trading accounts which require close supervision or restricted trading;

(iii) credit controls which automatically reject any trades, which exceed the trader's buying power limit as defined in Regulation 2500;

(iv) reports for each day trader's equity and buying power at the start of each trading day based on previous trading days activity, net of any equity additions or withdrawals.

13.1.2 TSE Notice In the Matter of CIBC World Markets

NOTICE TO PUBLIC

Subject: **Toronto Stock Exchange Regulation Services sets contested hearing date In the Matter of CIBC World Markets Inc.**

Toronto Stock Exchange Regulation Services ("TSE RS") will convene a Hearing before a Panel of the Hearing Committee (the "Hearing Panel") of the Toronto Stock Exchange. The purpose of this Hearing is to determine whether CIBC World Markets Inc. ("CIBC WM"), a Participating Organization of the Exchange, contravened or failed to comply with the Rules (the "Rules") of The Toronto Stock Exchange. The alleged contravention of the Rules is as follows:

> Between March 8 and August 9, 2000, CIBC WM failed to ensure that several of its employees were approved as Approved Traders in compliance with Rule 4-405(1) prior to those employees entering orders on the Exchange. CIBC WM therefore failed to ensure that its employees complied with Exchange Requirements, contrary to Rule 2-401.

The Hearing will be held on Tuesday, September 11, 2001 beginning at 10:00 a.m. or as soon thereafter as the Hearing can be held, at the offices of The Toronto Stock Exchange, 130 King Street West, 3rd Floor, Toronto, Ontario. The Hearing is open to the public.

The decision of the Hearing Panel and the terms of any discipline imposed will be published by TSE RS in a Notice to Participating Organizations.

Reference:

Jane P. Ratchford
Chief Counsel, Investigations and Enforcement Division
Toronto Stock Exchange Regulation Services
Telephone: 416-947-4317

Chapter 25

Other Information

THERE IS NO MATERIAL FOR THIS CHAPTER

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Canadian Pacific Railway Limited
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