**The Ontario Securities Commission**

# OSC Bulletin

June 14, 2002

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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)

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# Chapter 1

# Notices / News Releases

## 1.1 Notices

### 1.1.1 Current Proceedings Before The Ontario Securities Commission

**JUNE 14, 2002**

**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
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| Howard I. Wetston, Q.C., Vice-Chair | — | HIW |
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| H. Lorne Morphy, Q.C. | — | HLM |
| R. Stephen Paddon, Q.C. | — | RSP |
| Robert L. Shirriff, Q.C. | — | RLS |

**SCHEDULED OSC HEARINGS**

| | |
|---|---|
| June 24, 26 & 27/02<br>9:30 a.m.<br><br>June 25/02<br>2:00 - 4:30 p.m.<br><br>June 17/02<br>10:30 a.m. - 4:30 p.m.<br><br>June 18/02<br>9:00 - 3:00 p.m.<br><br>June 19/02<br>9:30 - 4:30 p.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)<br><br>s.127<br><br>K. Daniels/M. Code/J. Naster/I. Smith in attendance for staff.<br><br>Panel: HIW / DB / RWD |
| August 6 & 20/02<br>2:00 - 4:30 p.m.<br><br>August 7, 8, 12 - 15, 19, 21, 22, 26-29/02<br>9:30 a.m. - 4:30 p.m.<br><br>September 3 & 17/02<br>2:00 -4:30 p.m.<br><br>September 6, 10, 12, 13, 24, 26 & 27/02<br>9:30 a.m. - 4:30 p.m. | |
| June 17, 18, 19, 20, 21, 24 & 26/02<br>10:00 a.m.<br><br>June 25<br>2:00 - 4:00 p.m.<br><br>July 8 - 12/02<br>July 15 - 19/02<br>10:00 a.m. - | Brian K. Costello<br><br>s. 127<br><br>H. Corbett in attendance for Staff<br><br>Panel: PMM |

| | | |
|---|---|---|
| August 20/02<br>2:00 p.m. | **Mark Bonham and Bonham & Co. Inc.** | |
| August 21 to 31/02<br>9:30 a.m. | s. 127<br><br>M. Kennedy in attendance for staff<br><br>Panel: PMM / KDA / HPH | **ADJOURNED SINE DIE**<br><br>**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**<br><br>**DJL Capital Corp. and Dennis John Little**<br><br>**Dual Capital Management Limited, Warren Lawrence Wall, Shirley Joan Wall, DJL Capital Corp., Dennis John Little and Benjamin Emile Poirier**<br><br>**First Federal Capital (Canada) Corporation and Monter Morris Friesner**<br><br>**Global Privacy Management Trust and Robert Cranston**<br><br>**Irvine James Dyck**<br><br>**Ricardo Molinari, Ashley Cooper, Thomas Stevenson, Marshall Sone, Fred Elliott, Elliott Management Inc. and Amber Coast Resort Corporation**<br><br>**M.C.J.C. Holdings Inc. and Michael Cowpland**<br><br>**Offshore Marketing Alliance and Warren English**<br><br>**Philip Services Corporation**<br><br>**Rampart Securities Inc.**<br><br>**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**

### 1.1.2 Notice of Minister of Finance Approval of National Instruments 54-101 and 54-102

**NOTICE OF MINISTER OF FINANCE APPROVAL OF**

**NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**

**AND**

**NATIONAL INSTRUMENT 54-102**
**INTERIM FINANCIAL STATEMENT AND REPORT EXEMPTION**

On June 3, 2002, the Minister of Finance approved National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101") and National Instrument 54-102 *Interim Financial Statement and Report Exemption* ("NI 54-102"). The Commission made NI 54-101 and NI 54-102 as rules on March 26, 2002. On March 26, 2002, the Commission also made as a policy related Companion Policy NI 54-101CP *Communication with Beneficial Owners of Securities of a Reporting Issuer* (the "Policy").

NI 54-101 will come into force on July 1, 2002. No person or company shall be obliged to furnish a NOBO list under NI 54-101 before September 1, 2002. A reporting issuer sending proxy-related materials to beneficial owners of securities under NI 54-101 for a meeting to be held before September 1, 2004 shall send those materials only indirectly to beneficial owners.

NI 54-102 will come into force on July 1, 2002.

NI 54-101, the Policy and NI 54-102 are being republished in Chapter 5 of this issue of the Bulletin.

### 1.1.3 Request for Comments - Proposed MI 31-102, Companion Policy 31-102CP, OSC Rule 31-509 and Companion Policy 31-509CP

**Notice of Request for Comments**

**Proposed Multilateral Instrument 31-102 and Companion Policy 31-102CP - National Registration Database**
**Proposed Ontario Securities Commission Rule 31-509 (*Commodity Futures Act)* and Companion Policy 31-509CP - National Registration Database**

The Commission is publishing in today's Bulletin proposed Multilateral Instrument 31-102 and proposed Companion Policy 31-102CP: National Registration Database and proposed OSC Rule 31-509 (*Commodity Futures Act*) and Companion Policy 31-509: National Registration Database.

The Notices, Instrument, Rule and Companion Policies are published in Chapter 6 of the Bulletin at **http://www.osc.gov.on.ca/en/HotTopics/nrd.html#expanded**.

### 1.1.4 Request for Comments - Proposed MI 33-109, Companion Policy 33-109CP, OSC Rule 33-506 and Companion Policy 33-506CP

**Notice of Request for Comments**

**Proposed Multilateral Instrument 33-109 and Companion Policy 33-109CP - Registration Information**
**Proposed Ontario Securities Commission Rule 33-506 (*Commodity Futures Act)* and Companion Policy 33-506CP - Registration Information**

The Commission is publishing in today's Bulletin proposed Multilateral Instrument 33-109 and proposed Companion Policy 33-109CP: Registration Information and proposed OSC Rule 33-506 (*Commodity Futures Act*) and Companion Policy 33-506: Registration Information.

The Notices, Instrument, Rule and Companion Policies are published in Chapter 6 the Bulletin and at and **http://www.osc.gov.on.ca/en/HotTopics/nrd.html#expanded**.

### 1.1.5 OSC Policy 41-601 Capital Pool Companies and Ministerial Approval of the CPC Operating Agreement

**OSC POLICY 41-601 CAPITAL POOL COMPANIES AND MINISTERIAL APPROVAL OF THE CPC OPERATING AGREEMENT**

On June 10, 2002, the Ontario Minister of Finance approved the CPC Operating Agreement under subsection 143.10(2) of the *Securities Act* (Ontario). The CPC Operating Agreement was previously published in the OSC Bulletin on April 12, 2002.

The CPC Operating Agreement was entered into among the Canadian Venture Exchange Inc. (now the TSX Venture Exchange Inc.), the British Columbia Securities Commission, the Alberta Securities Commission, the Saskatchewan Securities Commission, the Manitoba Securities Commission and the OSC. It sets out the procedures to be adopted by the parties in connection with the TSX Venture Exchange's capital pool company program (the "Program").

OSC Policy 41-601 Capital Pool Companies was also published in the OSC Bulletin on April 12, 2002. Policy 41-601 sets out the OSC's views on public offerings in Ontario by Program participants. The notice accompanying Policy 41-601 states that Policy 41-601 will become effective on the date that the CPC Operating Agreement comes into effect.

Both the CPC Operating Agreement and Policy 41-601 will come into effect on June 15, 2002.

June 11, 2002.

## 1.3 News Releases

### 1.3.1 OSC "Protect Your Money" Program Educates Ontario Seniors about Investment Scams and Frauds

**FOR IMMEDIATE RELEASE**
**June 7, 2002**

**OSC "PROTECT YOUR MONEY" PROGRAM EDUCATES ONTARIO SENIORS ABOUT INVESTMENT SCAMS AND FRAUDS**

**TORONTO –** As part of the launch of Senior's Month in Ontario, the Ontario Securities Commission has announced an innovative three-way partnership with Ontario's Seniors' Secretariat and the Volunteer Centre of Toronto to provide information to Ontario seniors about investment scams and frauds.

"We are very pleased to be partnering with Ontario's Seniors' Secretariat and the Volunteer Centre of Toronto to bring our investor protection messages to Ontario seniors," said OSC Chair David Brown, at the Toronto press conference today. "All too often we find that the victims of investment scams are senior citizens who can not afford to lose their life-savings. These presentations will arm seniors with the information they need to protect themselves."

The new seminar program "Protect Your Money: Schemes, Scams and Flimflams" will be made available in across Ontario through the support of local Members of Provincial Parliament. The seminars are one hour long and will be available in both French and English. Content will include information about the role of the OSC in providing protection to investors, examples of common investment and consumer frauds and scams, warning signs, and information about what seniors can do to avoid becoming a victim.

Seasoned volunteer presenters with the Volunteer Centre of Toronto, will be trained by the OSC on the ploys and practices of investment scam artists and will deliver the presentations across the province.

About the Ontario Securities Commission:

The Ontario Securities Commission is the regulatory body for the securities industry in Ontario, administering and enforcing the Ontario Securities Act and Commodity Futures Act. Our mandate is to provide protection to investors from unfair or improper practices and to foster fair and efficient capital markets.

**For Media Inquiries:** Terri Williams
Manager, Investor Education
416-593-2350

**For Public Inquiries:** OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

### 1.3.2 OSC to Introduce New Seminar Series at Launch of Senior's Month

**FOR IMMEDIATE RELEASE**
**June 6, 2002**

**MEDIA INVITE: OSC TO INTRODUCE NEW SEMINAR SERIES AT LAUNCH OF SENIOR'S MONTH**

**TORONTO –** The best protection against investment fraud is to become an informed investor. As part of the launch of Senior's Month in Ontario, the Ontario Securities Commission is announcing an innovative three-way partnership with Ontario's Seniors' Secretariat and the Volunteer Centre of Toronto to educate Ontario seniors about investment scams and frauds.

David Brown, OSC Chair will join Carl DeFaria, Minister Responsible for Seniors, at the following press conference:

When: Friday, June 7, 11:00 to 12:00 p.m.
Where: Stock Market Place
130 King Street West, Toronto
The Exchange Tower, First Canadian Place

**For Media Inquiries:** Terri Williams
Manager, Investor Education
416-593-2350

**For Public Inquiries:** OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

### 1.3.3 OSC Proceeding in Respect of Livent Inc. et al. Adjourned to October 4, 2002

**FOR IMMEDIATE RELEASE**
**June 11, 2002**

**OSC PROCEEDING IN RESPECT OF LIVENT INC. ET AL ADJOURNED TO OCTOBER 4, 2002**

**Toronto** – The hearing before the Ontario Securities Commission (the "Commission") in respect of Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein and Robert Topol scheduled for June 12, 2002, is adjourned to October 4, 2002 commencing at 9:30 a.m., on the consent of the parties, and in accordance with the terms of the Order of the Commission made June 10, 2002.

Copies of the Notice of Hearing issued on July 3, 2001 and Statement of Allegations, and the Order of the Commission made on June 10, 2002, are available at **www.osc.gov.on.ca** or from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario.

**For Media Inquiries:** Eric Pelletier
Manager, Media Relations
416-595-8913

Michael Watson
Director, Enforcement Branch
416-593-8156

**For Investor Inquiries:** OSC Contact Centre
416-593-8314
1-877-786-1555 (Toll Free)

### 1.3.4 OSC Panel Finds Donnini Actions Contrary to the Public Interest

**FOR IMMEDIATE RELEASE**
**June 11, 2002**

**OSC PANEL FINDS DONNINI ACTIONS CONTRARY TO THE PUBLIC INTEREST**

**Toronto** – An Ontario Securities Commission panel found today that Piergiorgio Donnini, a former head trader at Yorkton Securities Inc., acted in contravention of Section 76(1) of the Ontario Securities Act and contrary to the public interest. Specifically, the panel found that in early 2000, Mr. Donnini had knowledge of a potential financing for Kasten Chase Applied Research Limited (KCA) that had not been disclosed to the public. The panel agreed that Mr. Donnini traded in KCA shares while he had this information and as such, he acted contrary to the public interest.

A hearing has been set for July 11, 2002 to hear submissions in respect of sanctions against Mr. Donnini. Reasons for the decision will be issued after appropriate sanctions have been determined. Copies of the Notice of Hearing and Statement of Allegations are available at **www.osc.gov.on.ca** or from the Commission, 19th Floor, 20 Queen Street West, Toronto, Ontario.

**For Media Inquiries:** Eric Pelletier
Manager, Media Relations
416-595-8913

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# Chapter 2

# Decisions, Orders and Rulings

## 2.1 Decisions

### 2.1.1 Nortel Networks Corporation - MRRS Decision

**Headnote**

MRRS for Exemptive Relief Applications – exemption from eligibility requirements under National Instrument 44-102 Shelf Distributions to enable issuer to distribute equity units, subject to conditions – acceptance of prospectus supplement pertaining to equity units.

**Applicable Ontario Statutes**

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

**Applicable Ontario Rules**

National Instrument 44-102 Shelf Distributions, ss. 3.1, 4.1.

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

**AND**

**IN THE MATTER OF**

**THE MUTUAL RELIANCE REVIEW SYSTEM**
**FOR EXEMPTIVE RELIEF APPLICATIONS**

**AND**

**IN THE MATTER OF**
**NORTEL NETWORKS CORPORATION**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, the Yukon Territory and the Territory of Nunavut (the "Jurisdictions") has received an application (the "Application") from Nortel Networks Corporation ("Nortel") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

(a) Nortel be exempt from the requirements of section 3.1 of National Instrument 44-102 Shelf Distributions ("44-102") such that Nortel may distribute certain securities under a base shelf prospectus as supplemented by a shelf prospectus supplement; and

(b) The Decision Makers have accepted a draft shelf prospectus supplement pertaining to the distribution of certain of such securities;

**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** Nortel has represented to the Decision Makers that:

1. Nortel is a corporation incorporated under the laws of Canada, is a reporting issuer in each of the Jurisdictions where such concept exists and, to the best of its knowledge, is not in default of any requirement of the Legislation.

2. Nortel is qualified to file a prospectus in the form of a short form prospectus under section 2.2 of National Instrument 44-101 Short Form Prospectus Distributions ("44-101").

3. Nortel Networks Limited is a corporation incorporated under the laws of Canada, is a reporting issuer in each of the Jurisdictions where such concept exists and, to the best of its knowledge, is not in default of any requirement of the Legislation. All of the outstanding common shares of Nortel Networks Limited are held by Nortel.

4. Nortel Networks Limited is eligible to file a prospectus in the form of a short form prospectus under section 2.6 of 44-101 for a distribution of debt securities or preferred shares convertible into securities of a credit supporter, including Nortel.

5. On May 13, 2002, Nortel and Nortel Networks Limited filed a preliminary short form base shelf prospectus (the "Canadian Base Shelf") with the Decision Makers in accordance with 44-102. It is anticipated that Nortel and Nortel Networks Limited will file the Canadian Base Shelf in final form with the Decision Makers on or about May 30, 2002. The Canadian Base Shelf is an "unallocated shelf" and effectively incorporates a

prospectus (the "U.S. Shelf Prospectus") filed by Nortel and Nortel Networks Limited with the United States Securities and Exchange Commission on May 13, 2002.

6. Under the Canadian Base Shelf, Nortel may issue various types of securities, including share purchase contracts. Share purchase contracts may be issued by Nortel separately or as part of units consisting of a share purchase contract and debt securities of Nortel or obligations of third parties (including U.S. treasury securities).

7. Nortel is contemplating qualifying for sale in Canada and the U.S. (the "Offering") certain equity units (the "Equity Units") which would each initially evidence a holder's ownership of:

   (i) a prepaid forward purchase contract entitling the holder thereof to receive a determinable number of common shares ("Common Shares") of Nortel (the "Purchase Contract"); and

   (ii) A number of specified United States zero-coupon treasury securities (the "Treasury Component").

8. In connection with the Offering, the Equity Units would be qualified for sale in the Jurisdictions under the final Canadian Base Shelf, as supplemented by a shelf prospectus supplement to be filed in accordance with 44-102. The Purchase Contract is a "specified derivative" within the meaning of 44-102. Accordingly, Nortel filed with each Decision Maker a draft preliminary shelf prospectus supplement on May 29, 2002 (the "Equity Units Supplement") in respect of the Offering for pre-clearance as contemplated by subsection 4.1(2) of 44-102. The Equity Units Supplement is in substantially final form.

9. In accordance with the terms of a purchase contract agreement (the "Purchase Contract Agreement") to be entered into between Nortel and a purchase contract agent (the "Purchase Contract Agent"), on behalf of the holders of the Purchase Contracts, each Purchase Contract would entitle the holder to delivery (without any further consideration) of a number of Common Shares to be determined by reference to the average of the closing prices of the Common Shares on the New York Stock Exchange during a period of time shortly before the settlement date (the "Settlement Date"), which is expected to be three years from the closing date of the Offering (unless an acceleration event occurs prior to such date or the holder has elected an early settlement option, as described below).

10. A representative of the underwriters of the Offering would purchase United States zero-coupon treasury securities (the "U.S. Treasury Strips") with the portion of the Equity Unit price allocable to the Treasury Components and deliver them to a custodian (the "Custodian") who would hold them as agent for the holders of the Equity Units, in accordance with the terms of a custodial agreement to be entered into between the Custodian and the Purchase Contract Agent, on behalf of the holders of the Equity Units.

11. The U.S. Treasury Strips will be in face amounts and have semi-annual maturity dates structured to provide holders of Equity Units with a semi-annual distribution in an amount to be fixed at the time of pricing of the Offering. Each semi-annual distribution would consist of the maturity of a U.S. Treasury Strip payable by the U.S. Government to the Custodian, which would then be remitted by the Custodian to the Purchase Contract Agent for payment to holders of the Equity Units. Nortel will not have any obligations or liabilities in respect of the Treasury Components.

12. Holders of Equity Units may choose to hold their Purchase Contracts and their Treasury Components separately, rather than in the form of Equity Units, in which case the corresponding Equity Units would be cancelled. Equity Units may also be recreated at any time by depositing with the Purchase Contract Agent and the Custodian, as the case may be, for each Equity Unit being recreated, one Purchase Contract and each of the U.S. Treasury Strips which has not yet matured and remains in the Treasury Component.

13. The Purchase Contract Agreement will provide that a holder of Equity Units may elect to accelerate the Settlement Date (the "Early Settlement Option") in respect of such holder's Purchase Contracts and receive a specified number of Common Shares per Purchase Contract which will depend upon the date of election. Upon the exercise of the Early Settlement Option by a holder of Purchase Contracts held in the form of Equity Units, such holder will receive the U.S. Treasury Strips evidenced by such holder's Treasury Components.

14. The Purchase Contract Agreement will also provide that, upon the occurrence of certain specified events of bankruptcy, insolvency or reorganization with respect to Nortel (each such event, an "Acceleration Event"), the Settlement Date will automatically accelerate and the holders of Equity Units will be entitled to receive a specified number of Common Shares per Purchase Contract. Upon the occurrence of an Acceleration Event, holders of Purchase Contracts held in the form of Equity Units will receive the U.S. Treasury Strips evidenced by the holder's Treasury Components.

15. Pursuant to section 3.1 of 44-102, an issuer is permitted to establish a base shelf prospectus pertaining to one or more securities for which the issuer is qualified to file a prospectus in the form of a short form prospectus. Nortel is not qualified to file a prospectus in the form of a short form prospectus for the Treasury Components and therefore is not qualified to file a prospectus in the form of a short form prospectus for the Eligible Units. Nortel is therefore unable to effect the Offering under the Canadian Base Shelf without relief from the eligibility requirements of 44-102.

16. Nortel is of the view that prospective purchasers of Eligible Units will not derive any additional benefit or protection from the disclosure required by a long form prospectus. The risks associated with holding U.S. treasury securities in the form of the Treasury Components are limited to the creditworthiness of the U.S. Government.

**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 Nortel is exempt from the requirements of section 3.1 of 44-102, such that Nortel may distribute units ("Eligible Units") consisting of "share purchase contracts" (as defined in the Canadian Base Shelf) and United States Treasury securities under the final Canadian Base Shelf, as supplemented by a shelf prospectus supplement; provided that Nortel shall file before or concurrently with the filing of the final Canadian Base Shelf an undertaking with the Decision Makers that it will not distribute under the final Canadian Base Shelf any Eligible Units in a Jurisdiction, unless:

(a) the draft shelf prospectus supplement or, if more than one shelf prospectus supplement is to be used, each of the draft shelf prospectus supplements, pertaining to the distribution of the Eligible Units have been delivered to the applicable Decision Maker in substantially final form; and

(b) either (i) the Decision Maker has confirmed his or her acceptance of each draft shelf prospectus supplement in substantially final form or each shelf prospectus supplement in final form, or (ii) 21 days have elapsed since the date of delivery to the Decision Maker of each draft shelf prospectus supplement in substantially final form and the Decision Maker has not provided written comments on the draft shelf prospectus supplement.

**THE FURTHER DECISION** of the Decision Makers under the Legislation is that, in accordance with clause 4.1(2)(b) of 44-102 and the undertaking of Nortel referred to above, the Decision Makers have accepted the Equity Units Supplement pertaining to the distribution of Equity Units.

May 31, 2002.

"Iva Vranic"

**AND THE FURTHER DECISION** of the Decision Makers under the Legislation is that the Application and the Decision shall be held in confidence by the Decision Makers until the earlier of (a) the public announcement of an offering of Equity Units under the Equity Unit Supplement, and (b) September 1, 2002.

May 31, 2002.

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

### 2.1.2 Fidelity Investments Canada Limited - MRRS Decision

**Headnote**

Variation of previous MRRS Decision extending the duration and extending the time within which the applicant must transfer its group retirement business to an entity that is appropriately registered.

**Director's Decision**

Variation of the duration of the original Director's decision and extending the specified time within which the applicant must transfer its group retirement business to an entity that is properly registered.

**Applicable Ontario Statute**

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

**Applicable Ontario Securities Commission Rule**

Rule 31-505 "Conditions of Registration" (1999) 22 O.S.C.B. 731, ss. 1.5 and 4.1.

**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**
**FIDELITY INVESTMENTS CANADA LIMITED,**
**BELL HELICOPTER TEXTRON CANADA LIMITED,**
**TEXTRON FASTENING SYSTEMS**
**CANADA LIMITED AND**
**TEXTRON FINANCIAL CANADA LIMITED**
**(FORMERLY TEXTRON CANADA LIMITED)**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in both Alberta and Ontario (the "Jurisdictions") has received an application (the "Application") from Fidelity Investments Canada Limited ("Fidelity") to vary a MRRS Decision of the Alberta Securities Commission (the "ASC") and the Ontario Securities Commission (the "OSC") dated September 14, 2001 (the "Original MRRS Decision"), a Decision of the Director of the OSC dated September 14, 2001, and an Order of the ASC dated September 14, 2001 (collectively, the "Decisions"), which provided, subject to terms and conditions, relief from the registration requirements under the securities legislation of the Jurisdictions (the "Legislation") in respect of certain trades and from making certain "suitability" enquiries under the Legislation in connection with these trades made by Fidelity on behalf of the Group Retirement Clients (as defined below) in the employer-sponsored savings plan (the "Program") of Bell Helicopter Textron Canada Limited, Textron Fastenings Systems Canada Limited and Textron Financial Canada Limited (collectively, "Textron");

**AND WHEREAS** Fidelity wishes to vary the duration of the Original MRRS Decision and the Decisions and extend the specified time within which it must transfer its Group Retirement Business (as defined below) to an entity that is appropriately registered under the Legislation to trade in securities;

**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** Fidelity has represented to the Decision Makers that:

1. Fidelity is registered in all Jurisdictions as a dealer in the category of mutual fund dealer and as an adviser in the categories of "investment counsel" and "portfolio manager" in all Jurisdictions;

2. Fidelity's registration under the legislation of the Jurisdictions as a "mutual fund dealer" has been restricted to certain activities that are incidental to its principal business. The restricted trading activity includes trades by Fidelity to a participant in an employer-sponsored plan until the earlier of:

   (i) the assumption of such trading activity by Fidelity Intermediary Securities Company Limited (the "IDA Company"), a wholly-owned subsidiary of Fidelity, and

   (ii) December 31, 2002;

3. Currently, Fidelity sells common shares of Textron U.S. "Common Shares" to certain participants ("Group Retirement Clients") in the Program;

4. Fidelity Retirement Services Company of Canada Limited ("FRSCo") has applied for registration under the Legislation as a mutual fund dealer and has applied for membership in the Mutual Fund Dealers Association (the "MFDA");

5. The Original MRRS Decision and the Decisions (collectively, the "Relief") were granted to Fidelity and allows it to trade Common Shares provided the trade is made to a Group Retirement Client until the earlier of:

   (i) the assumption of such trading activity by FRSCo; and

   (ii) July 2, 2002 (the "Deadline");

6. The facts set out in the Relief are accurate, except as otherwise stated herein;

7. At the time when Fidelity received the Relief, Fidelity intended to transfer the Group Retirement Clients to FRSCo, once FRSCo was registered as a mutual fund dealer in each jurisdiction and was accepted as a member of the MFDA;

8. To service its Group Retirement Clients, Fidelity has determined that the business needs of the Group Retirement Clients (the "Group Retirement Business") requires greater flexibility in terms of the product offering that would be permitted under a mutual fund dealer registration;

9. Fidelity has determined that the Group Retirement Clients will be more appropriately serviced by an investment dealer that is a member of the Investment Dealers Association of Canada (the "IDA");

10. Fidelity has incorporated another wholly-owned subsidiary under the *Business Corporations Act* (Ontario), the IDA Company, which has submitted an application for registration as an investment dealer in each Canadian jurisdiction. The IDA Company is a member of the IDA;

11. Fidelity proposes to transfer its Group Retirement Clients to the IDA Company no later than December 31, 2002. Fidelity proposes to run its Group Retirement Business as a division of the IDA Company once the IDA Company has become registered in each Canadian jurisdiction and once certain systems and other changes have been made to ensure that the business can be conducted in a manner that is compliant with the IDA By-laws and Rules;

12. Fidelity is unable to transfer the Group Retirement Clients to the IDA Company by the Deadline due to a number of operational and systems reasons;

13. Fidelity is attempting to ensure that the transfer of the Group Retirement Clients will be completed as soon as possible;

**AND WHEREAS** under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "MRRS 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 MRRS DECISION** of the Decision Makers, pursuant to the Legislation of each Jurisdiction, is that:

1. the representations in paragraphs 3 and 4 of the Original MRRS Decision are replaced with paragraphs 2 and 11, respectively, of this MRRS Decision; and

2. proviso number 3 of the Original MRRS Decision is replaced with the following:

   "3. this MRRS Decision will terminate upon the earlier of:

      (1) the assumption of the activity referred to in paragraph 18 by Fidelity Intermediary Securities Company Limited; and

      (2) December 31, 2002;"

**PROVIDED THAT** Fidelity complies with all other terms and conditions of the Original MRRS Decision and the Decisions.

"May 31, 2002"

"Harold P. Hands" "Robert W. Korthals"

**DECISION OF THE DIRECTOR OF ONTARIO AND THE ALBERTA SECURITIES COMMISSION UNDER THE SECURITIES LEGISLATION**

**WHEREAS** the Director of the Ontario Securities Commission (the "Director") and the Alberta Securities Commission (the "ASC") have each received an application from Fidelity to vary the Decisions, which provided relief from making certain "suitability" enquiries under the Legislation in connection with trades made by Fidelity on behalf of the Group Retirement Clients in the Program;

**AND WHEREAS** Fidelity wishes to vary the duration of the Decisions and extend the specified time within which it must transfer its Group Retirement Business to an entity that is appropriately registered under the Legislation to trade in securities;

**AND WHEREAS** Fidelity has made to the Director and the ASC the same representations referred to in the above MRRS Decision;

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

**IT IS THE DECISION** of the Director and the ASC that, pursuant to the Legislation, effective on the effective date of the above MRRS Decision, the proviso of the Decisions stipulating that such Decisions will terminate upon the earlier of:

(1) the assumption of the activity referred to in paragraph 18 of the above MRRS decision by New Fidelity; and

(2) July 2, 2002;

is replaced with the following:

(1) the assumption of the activity referred to in paragraph 18 by Fidelity Intermediary Securities Company Limited; and

(2) December 31, 2002;

**PROVIDED THAT** Fidelity complies with all other terms and conditions of the Relief.

May 31, 2002.

"David M. Gilkes"

### 2.1.3 Manulife Securities International Ltd. - MRRS Decision

**Headnote**

Representatives of mutual fund dealer exempted from the prohibition against payment of commission/fee rebates to clients who switch investments from third party mutual funds to mutual funds managed by affiliate of mutual fund dealer.

**Rules Cited**

National Instrument 81-105 Mutual Fund Sales Practices, subsection 7.1(1), section 9.1.

**IN THE MATTER OF NATIONAL INSTRUMENT 81-105 MUTUAL FUND SALES PRACTICES ("NI 81-105")**

**AND**

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

**AND**

**IN THE MATTER OF MANULIFE SECURITIES INTERNATIONAL LTD.**

**MRRS DECISION DOCUMENT**

**WHEREAS** the Canadian securities regulatory authorities or regulators (the "Decision Makers") in the jurisdictions of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, the Yukon Territory and the Northwest Territories have received an application from Manulife Securities International Ltd. ("Manulife") on behalf of itself and its current and future representatives (the "Representatives") from time to time for a decision pursuant to section 9.1 of NI 81-105 that the prohibitions on certain rebates ("Rebates") of redemption commission or fees contained in paragraph 7.1(1)(b) of NI 81-105 shall not apply to Rebates paid by Representatives to clients who are switching from Third Party Funds (defined below) to Elliott & Page Funds (defined below) (the "Proprietary Rebates");

**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** Manulife has represented to the Decision Makers as follows:

1. Manulife is registered as a mutual fund dealer in all of the provinces of Canada, the Northwest Territories and the Yukon Territory. Manulife is also registered as a limited market dealer in Ontario and Newfoundland.

2. Elliott & Page Limited ("Elliott & Page") is the manager of the mutual funds known as the Elliott & Page Group of Funds, the Manulife Cabot Funds and the Elliott & Page International Funds (Seamark) (these mutual funds together with any mutual funds of which Elliott & Page becomes manager in the future are referred to collectively as the "Elliott & Page Funds").

3. Manulife is an affiliate of Elliott & Page and is therefore a "member of the organization" of the Elliott & Page Funds pursuant to NI 81-105.

4. Manulife is a participating dealer of the Elliott & Page Funds as well as of other mutual funds not managed by Elliott & Page ("Third Party Funds");

5. Paragraph 7.1(1)(b) of NI 81-105 prohibits Representatives from paying Proprietary Rebates to clients who are switching from Third Party Funds to Elliott & Page Funds;

6. The relief is being applied for in order to facilitate the Proprietary Rebates;

7. The decision to pay such Proprietary Rebates will be made by the Representatives based on the best interests of the particular client;

8. Representatives are not required by Manulife or any of its affiliates to sell Elliott & Page Funds to clients and accordingly have no quotas in respect of selling Elliott & Page Funds and are not provided with incentives by Manulife (other than as permitted by NI 81-105) or any of its affiliates to sell Elliott & Page Funds.

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

**AND WHEREAS** each of the Decision Makers is satisfied that the test contained in NI 81-105 that provides the Decision Maker with the jurisdiction to make the decision has been met;

**THE DECISION** of the Decision Makers pursuant to section 9.1 of NI 81-105 is that Manulife shall be exempt from the prohibitions on payment of Rebates contained in paragraph 7.1(1)(b) of NI 81-105 to the extent necessary to allow Representatives to pay Proprietary Rebates;

**PROVIDED** that in respect of each such payment:

(i) Manulife, and the relevant Representative, as the case may be, complies with the informed written consent provisions of paragraph 7.1(1)(a) and the disclosure and consent provisions of Part 8 of NI 81-105;

(ii) The Representative advises each client in advance that any Rebate proposed to be made available by a Representative in connection with the purchase of securities of Elliott & Page Funds (a) will be available to the client regardless of whether the redemption proceeds are invested in an Elliott & Page Fund or a Third Party Fund (to a maximum of the commission earned by the Representative on the purchase), and (b) will not be conditional on a purchase of securities of the Elliott & Page Funds;

(iii) Representatives are not and shall not in the future be subject to quotas (either express or implied) in respect of the distribution of the Elliott & Page Funds and shall continue to be entitled to offer competing Third Party Funds to their clients;

(iv) Except as permitted by NI 81-105, neither Manulife nor any of its affiliates shall provide an incentive (monetary or non-monetary) to any Representative to recommend the Elliott & Page Funds over Third Party Funds;

(v) The amount of the Proprietary Rebate that is borne by a Representative is determined by the Representative and the client; and

(vi) The Representatives that pay the Proprietary Rebates are not and will not be reimbursed directly or indirectly for such payment by Manulife or any of its affiliates.

**AND PROVIDED FURTHER** that this Decision Document shall cease to be operative with respect to a Decision Maker following the entry into force of a rule of that Decision Maker that replaces or amends section 7.1 of NI 81-105.

June 3, 2002.

"Robert W. Korthals" "Paul M. Moore"

### 2.1.4 McKesson Corporation - MRRS Decision

**Headnote**

MRRS for Exemptive Relief Applications – U.S. company adopts stock incentive plan – relief from the registration requirements provided to permit former Ontario employees to resell securities in accordance with the stock incentive plan – relief from issuer bid requirements to permit acquisition of securities in satisfaction of withholding taxes in accordance with stock incentive plan.

**Applicable Ontario Statutes**

Securities Act R.S.O. 1990, c. S.5, as am., ss. 25, 74(1), 95, 96, 97, 98, 100, 104(2)(c).

**IN THE MATTER OF**
**THE SECURITIES LEGISLATION OF**
**BRITISH COLUMBIA, ALBERTA, MANITOBA,**
**ONTARIO, QUÉBEC, AND**
**NEW BRUNSWICK**

**AND**

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

**AND**

**IN THE MATTER OF**
**MCKESSON CORPORATION**

**MRRS DECISION DOCUMENT**

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Maker") in British Columbia, Alberta, Manitoba, Ontario, Québec, and New Brunswick (the "Jurisdictions") has received an application from McKesson Corporation ("McKesson") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that (i) the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") (collectively, the "Registration and Prospectus Requirements") will not apply to certain trades in shares of McKesson's common stock made in connection with the McKesson Corporation 2000 Employee Stock Purchase Plan (the "Plan"); (ii) the Registration and Prospectus Requirements will not apply to first trades of Shares acquired under the Plan executed on an exchange or market outside of Canada; and (iii) the requirements contained in the Legislation relating to the delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up and payment for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, financing, identical consideration, collateral benefits, and the requirement to file a reporting form within 10 days of an exempt issuer bid and pay a related fee (the "Issuer Bid Requirements") will not apply to certain acquisitions by McKesson of Shares under the Plan in each of the Jurisdictions that regulates issuer bids;

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** McKesson has represented to the Decision Makers that:

   3.1 McKesson is a corporation incorporated under the laws of the State of Delaware;

   3.2 McKesson's head office is located in San Francisco, California;

   3.3 McKesson is registered with the Securities and Exchange Commission (the "SEC") in the United States of America (the "U.S.") under the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not exempt from the reporting requirements of the Exchange Act;

   3.4 the authorized share capital of McKesson consists of 400 million shares of common stock (the "Shares") of which as of February 8, 2002, there were 287,453,771 Shares outstanding;

   3.5 the Shares are listed on the New York Stock Exchange (the "NYSE") under the symbol MCK and the Pacific Stock Exchange;

   3.6 McKesson is not a reporting issuer or the equivalent in any Jurisdiction and has no present intention of becoming a reporting issuer in any of the Jurisdictions;

   3.7 under the Plan, employees of McKesson or its affiliates (the "Employees") are permitted to purchase Shares at a discount to the market price of the Shares;

   3.8 the purpose of the Plan is to encourage employees to acquire a proprietary interest, or to increase their existing proprietary interest, in McKesson;

   3.9 subject to adjustment as provided in the Plan, the maximum number of Shares which may be issued under the Plan is 6,100,000;

3.10 Shares offered under the Plan have been registered with the SEC under the Securities Act of 1933, as amended, of the U.S. and all necessary securities filings have been made in the U.S. in order to offer the Plan to Employees resident in the U.S.;

3.11 only Employees are eligible to participate in the Plan, except Employees whose customary employment is (a) less than 20 hours per week, and (b) for not more than five months in any calendar year;

3.12 as of March 13, 2002, there were approximately 31, 8, 3, 77, 16, and 19 Employees eligible to participate in the Plan resident in British Columbia, Alberta, Manitoba, Ontario, Québec, and New Brunswick, respectively;

3.13 Employees who enroll in the Plan (and in limited cases former Employees and Beneficiaries (defined below)) may purchase Shares from McKesson at a discount to the market price;

3.14 purchases under the Plan are made solely with funds contributed through payroll deductions, with an Employee electing to contribute between 1 and 15% of the Employee's salary;

3.15 McKesson intends to use the services of one or more agents in connection with the Plan, (each, an "Agent");

3.16 the role of the Agent may include (a) assisting with the administration of and general record keeping for the Plan; (b) maintaining record keeping and limited purpose brokerage accounts on behalf of participants in the Plan; (c) holding Shares on behalf of participants in limited purpose brokerage accounts; (d) facilitating the payment of withholding taxes, if any, and (e) facilitating the resale of Shares acquired under the Plan through the NYSE;

3.17 E*Trade Securities, Inc. ("E*Trade") and E*Trade Canada Securities Corporation ("E*Trade Canada") have initially been appointed by McKesson to act as Agents for the Plan. E*Trade is a corporation registered under applicable U.S. securities legislation and E*Trade Canada is registered as a broker/dealer in each of the Jurisdictions. McKesson may at any time appoint additional or replacement Agents under the Plan. Any Agent appointed in replacement of or in addition to E*Trade and E*Trade Canada is not expected to be a registrant in the Jurisdictions and if not a registrant in the Jurisdictions, will be registered under applicable U.S. securities or banking legislation;

3.18 Participation in the Plans by Canadian Employees is voluntary and such persons are not induced to participate in the Plan by expectation of employment or continued employment with McKesson or its affiliates;

3.19 neither payroll deductions credited to an Employee's account nor any rights under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way by an Employee (other than by will or the laws of intestacy or to a Beneficiary in accordance with the terms of the Plan). In general, rights under the Plan are exercisable during the lifetime of an Employee only by the Employee (or in the case of incapacity, by his or her legal representative);

3.20 in the event of the termination of the employment of an Employee for any reason other than death, disability or retirement, the Employee's participation in the Plan will immediately terminate and the balance of the former Employee's cash account will be returned to the former Employee;

3.21 if an Employee terminates employment with the McKesson Companies during a Purchase Period (as defined in the Plan) due to death, then, at the election of the Employee's beneficiary under the terms of the Plan or under a will or the laws of intestacy (a "Beneficiary"), the balance of the former Employee's cash account will be (i) delivered to the Beneficiary, or (ii) held in the cash account until the end of the relevant Purchase Period and applied to the purchase of Shares on the purchase date;

3.22 Employees, former Employees and Beneficiaries may sell Shares acquired under the Plan through the Agent;

3.23 a prospectus prepared according to U.S. securities laws describing the terms and conditions of the Plan will be delivered to each Employee who is eligible to participate in the Plan. The annual reports, proxy materials and other materials McKesson provides to its U.S. shareholders will be provided to Employees resident in the Jurisdictions who acquire and retain Shares under the

Plan at the same time and in the same manner as such documents would be provided to U.S. shareholders;

3.24 Canadian resident shareholders of McKesson do not own, directly or indirectly, more than 10% of the issued and outstanding Shares and do not represent in number more than 10% of the total number of shareholders of McKesson;

3.25 if at any time during the currency of the Plan Canadian resident shareholders of McKesson hold, in aggregate, greater than 10% of the total number of issued and outstanding Shares or if such shareholders constitute more than 10% of all shareholders of McKesson, McKesson will apply to the relevant Jurisdiction for an order with respect to further trades to and by the Canadian resident shareholders in that Jurisdiction in respect of Shares acquired under the Plan;

3.26 because there is no market for the Shares in Canada and none is expected to develop, any resale of the Shares acquired under the Plan will be effected through the facilities of, and in accordance with the rules and laws applicable to, a stock exchange or organized market outside of Canada on which the Shares may be listed or quoted for trading;

3.27 the Legislation of certain of the Jurisdictions does not contain exemptions from the Registration and Prospectus Requirements for trades of Shares to Employees, former Employees or Beneficiaries;

3.28 where the Agent holds or sells Shares on behalf of Employees, former Employees or Beneficiaries, none of the Employees, former Employees, Beneficiaries or the Agent is able to rely on the exemption from the Registration Requirements contained in the Legislation of certain Jurisdictions to effect such sales;

3.29 under the Plan, McKesson may acquire Shares from Employees, former Employees or Beneficiaries directly or through the Agent in connection with the satisfaction of withholding taxes ("Withholding Acquisitions");

3.30 the exemptions in the Legislation from the Issuer Bid Requirements are not available for certain acquisitions by McKesson of its Shares from Employees, former Employees or Beneficiaries in accordance with the terms of the Plan, since acquisitions relating to Withholding Acquisitions may occur at a price that is not calculated in accordance with the "market price," as that term is defined in the Legislation; under the Plan, McKesson will acquire such Shares at their fair market value, as determined in accordance with the Plan;

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:

6.1 the Registration and Prospectus Requirements will not apply to any trade or distribution of Shares made in connection with the Plan, including trades or distributions involving McKesson or its affiliates, the Agent, Employees, former Employees or Beneficiaries, provided that, except in Québec, the first trade in Shares acquired under the Plan under this Decision will be deemed a distribution or a primary distribution to the public under the Legislation unless the conditions in subsection 2.14(1) of Multilateral Instrument 45-102 *Resale of Securities* ("MI 45-102") are satisfied and provided that, in Québec, the first trade in Shares acquired through the Plan under this Decision will be deemed a distribution unless the alienation (resale) is made outside Québec;

6.2 the first trade by Employees, former Employees or Beneficiaries in Shares acquired under this Decision will not be subject to the Registration Requirement provided that, except in Québec, the conditions in subsection 2.14(1) of MI 45-102 are satisfied and, in Québec, the first trade is executed through a stock exchange or market outside of Canada; and

6.3 the Issuer Bid Requirements will not apply to the acquisition by McKesson of Shares from Employees, former Employees and Beneficiaries in connection with Withholding Acquisitions, made in accordance with the provisions of the Plan.

May 29, 2002.

"Glenda A. Campbell" "David W. Betts"

### 2.1.5 First Defined Portfolio Management Co. - s. 5.1 of Rule 31-506

**Headnote**

**Director's Decision**

Exemptive relief for a mutual fund dealer from the requirement to become a member of the Mutual Fund Dealers Association.

**Applicable Ontario Statutory Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 25.

**Applicable Ontario Securities Commission Rule**

Rule 31-506 - SRO Membership - Mutual Fund Dealers, ss. 2.1 and 3.1.

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

**AND**

**ONTARIO SECURITIES COMMISSION RULE 31-506**
**SRO MEMBERSHIP – MUTUAL FUND DEALERS**
**(the "Rule")**

**AND**

**IN THE MATTER OF**

**FIRST DEFINED PORTFOLIO MANAGEMENT CO.**

**DECISION**
**(Section 5.1 of the Rule)**

**UPON** the Director having received an application (the "Application") from First Defined Portfolio Management Co. (the "Registrant") for a decision, pursuant to section 5.1 of the Rule, exempting the Registrant from the requirements in sections 2.1 and 3.1 of the Rule, which would otherwise require that the Registrant be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") on and after July 2, 2002, and file with the MFDA, no later than May 23, 2001, an application and corresponding fees for membership;

**UPON** considering the Application and the recommendation of staff of the Ontario Securities Commission;

**AND UPON** the Registrant having represented to the Director that:

1. the Registrant is registered under the Act as a dealer in the category of mutual fund dealer;

2. the Registrant is the manager and principal distributor in Canada of a series of defined

portfolio trusts offered under the name "First Trust Portfolios";

3. the requested relief is required in Ontario only and no similar application has been filed in any other jurisdiction;

4. the securities of the mutual funds managed by the Registrant are generally sold to the public through other registered dealers;

5. the Registrant's trading activities as a mutual fund dealer currently represent and will continue to represent activities that are incidental to its principal business activities;

6. the Registrant has agreed to the imposition of the terms and conditions on the Registrant's registration as a mutual fund dealer set out in the attached Schedule "A", which outlines the activities the Registrant has agreed to adhere to in connection with its application for this Decision;

7. any person or company that is not currently a client of the Registrant on the effective date of this Decision, will, before they are accepted as a client of the Registrant, receive prominent written notice from the Registrant that:

> The Registrant is not currently a member, and does not intend to become a member of the Mutual Fund Dealers Association; consequently, clients of the Registrant will not have available to them investor protection benefits that would otherwise derive from membership of the Registrant in the MFDA, including coverage under any investor protection plan for clients of members of the MFDA;

8. upon the next general mailing to its account holders and in any event before July 2, 2002, the Registrant shall provide, to any client that was a client of the Registrant on the effective date of this Decision, the prominent written notice referred to in paragraph 7, above;

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

**IT IS THE DECISION** of the Director, pursuant to section 5.1 of the Rule, that, effective May 23, 2001, the Registrant is exempt from the requirements in sections 2.1 and 3.1 of the Rule;

**PROVIDED THAT:**

The Registrant complies with the terms and conditions on its registration under the Act as a mutual fund dealer set out in the attached Schedule "A".

June 4, 2002.

"David M. Gilkes"

**Schedule "A"**

**TERMS AND CONDITIONS OF REGISTRATION**
**OF**
**FIRST DEFINED PORTFOLIO MANAGEMENT CO.**

**AS A MUTUAL FUND DEALER**

**Definitions**

1. For the purposes hereof, unless the context otherwise requires:

(a) "Act" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

(b) "Adviser" means an adviser as defined in subsection 1(1) of the Act;

(c) "Client Name Trade" means, for the Registrant, a trade to, or on behalf of, a person or company, in securities of a mutual fund, that is managed by the Registrant or an affiliated entity of the Registrant, where, immediately before the trade, the person or company is shown on the records of the mutual fund or of an other mutual fund managed by the Registrant or an affiliate of the Registrant as the holder of securities of such mutual fund, and the trade consists of:

(A) a purchase, by the person or company, through the Registrant, of securities of the mutual fund; or

(B) a redemption, by the person or company, through the Registrant, of securities of the mutual fund;

and where, the person or company is either a client of the Registrant that was not solicited by the Registrant or was an existing client of the Registrant on the Effective Date;

(d) "Commission" means the Ontario Securities Commission;

(e) "Effective Date" means May 23, 2001;

(f) "Employee", for the Registrant, means:

(A) an employee of the Registrant;

(B) an employee of an affiliated entity of the Registrant; or

(C) an individual that is engaged to provide, on a *bona fide* basis, consulting, technical, management or other services to the Registrant or to an affiliated entity of the Registrant, under a written contract between the Registrant or the affiliated entity and the individual or a consultant company or consultant partnership of the individual, and, in the reasonable opinion of the Registrant, the individual spends or will spend a significant amount of time and attention on the affairs and business of the Registrant or an affiliated entity of the Registrant;

(g) "Employee", for a Service Provider, means an employee of the Service Provider or an affiliated entity of the Service Provider, provided that, at the relevant time, in the reasonable opinion of the Registrant, the employee spends or will spend, a significant amount of time and attention on the affairs and business of:

(A) the Registrant or an affiliated entity of the Registrant; or

(B) a mutual fund managed by the Registrant or an affiliated entity of the Registrant;

(h) "Employee Rule" means Commission Rule 45-503 Trades To Employees, Executives and Consultants;

(i) "Executive", for the Registrant, means a director, officer or partner of the Registrant or of an affiliated entity of the Registrant;

(j) "Executive", for a Service Provider, means a director, officer or partner of the Service Provider or of an affiliated entity of the Service Provider;

(k) "Exempt Trade", for the Registrant, means:

(i) a trade in securities of a mutual fund that is made between a person or company and an underwriter acting as purchaser or between or among underwriters; or

(ii) a trade in securities of a mutual fund for which the Registrant would have available to it an exemption from the registration

requirements of clause 25(1)(a) of the Act if the Registrant were not a "market intermediary" as such term is defined in section 204 of the Regulation;

(l) "Fund-on-Fund Trade", for the Registrant, means a trade that consists of:

(i) a purchase, through the Registrant, of securities of a mutual fund that is made by another mutual fund;

(ii) a purchase, through the Registrant, of securities of a mutual fund that is made by a counterparty, an affiliated entity of the counterparty or an other person or company, pursuant to an agreement to purchase the securities to effect a hedge of a liability relating to a contract for a specified derivative or swap made between the counterparty and another mutual fund; or

(iii) a sale, through the Registrant, of securities of a mutual fund that is made by another mutual fund where the party purchasing the securities is:

(A) a mutual fund managed by the Registrant or an affiliated entity of the Registrant; or

(B) a counterparty, affiliated entity or other person or company that acquired the securities pursuant to an agreement to purchase the securities to effect a hedge of a liability relating to a contract for a specified derivative or swap made between the counterparty and another mutual fund; and

where, in each case, at least one of the referenced mutual funds is a mutual fund that is managed by either the Registrant or an affiliated entity of the Registrant;

(m) "In Furtherance Trade" means, for the Registrant, a trade by the Registrant that consists of any act, advertisement, or solicitation, directly or indirectly in furtherance of an other trade in securities of a mutual fund, where the other trade consists of:

(i) a purchase or sale of securities of a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or

(ii) a purchase or sale of securities of a mutual fund where the Registrant acts as the principal distributor of the mutual fund; and

where, in each case, the purchase or sale is made by or through an other registered dealer if the Registrant is not otherwise permitted to make the purchase or sale pursuant to these terms and conditions;

(n) "Mutual Fund Instrument" means National Instrument 81-102 Mutual Funds, as amended;

(o) "Permitted Client", for the Registrant, means a person or company that is a client of the Registrant, and that is, or was at the time the person or company became a client of the Registrant:

(i) an Executive or Employee of the Registrant;

(ii) a Related Party of an Executive or Employee of the Registrant;

(iii) a Service Provider of the Registrant or an affiliated entity of a Service Provider of the Registrant;

(iv) an Executive or Employee of a Service Provider of the Registrant; or

(v) a Related Party of an Executive or Employee of a Service Provider of the Registrant;

(p) "Permitted Client Trade" means, for the Registrant, a trade to a person who is a Permitted Client or who represents to the Registrant that he or she is a person included in the definition of Permitted Client, in securities of a mutual fund that is managed by the Registrant or an

affiliated entity of the Registrant, and the trade consists of:

(i) a purchase, by the person, through the Registrant, of securities of the mutual fund; or

(ii) a redemption, by the person, through the Registrant, of securities of the mutual fund;

(q) "Registered Plan" means a registered pension plan, deferred profit sharing plan, registered retirement savings plan, registered retirement income fund, registered education savings plan or other deferred income plan registered under the Income Tax Act (Canada);

(r) "Registrant" means First Defined Portfolio Management Co.;

(s) "Regulation" means R.R.O. 1990, Reg. 1015, as amended, made under the Act;

(t) "Related Party", for a person, means an other person who is:

(i) the spouse of the person;

(ii) the issue of:

(A) the person,

(B) the spouse of the person, or

(C) the spouse of any person that is the issue of a person referred to in subparagraphs (A) or (B) above;

(iii) the parent, grandparent or sibling of the person, or the spouse of any of them;

(iv) the issue of any person referred to in paragraph (iii) above; or

(v) a Registered Plan established by, or for the exclusive benefit of, one, some or all of the foregoing;

(vi) a trust where one or more of the trustees is a person referred to above and the beneficiaries of the trust are restricted to one, some, or all of the foregoing;

(vii) a corporation where all the issued and outstanding shares of the corporation are owned by one, some, or all of the foregoing;

(u) "securities", for a mutual fund, means shares or units of the mutual fund;

(v) "Seed Capital Trade" means a trade in securities of a mutual fund made to a persons or company referred to in any of subparagraphs 3.1(1)(a)(i) to 3.1(1)(a)(iii) of the Mutual Fund Instrument;

(w) "Service Provider", for the Registrant, means:

(i) a person or company that provides or has provided professional, consulting, technical, management or other services to the Registrant or an affiliated entity of the Registrant;

(ii) an Adviser to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or

(iii) a person or company that provides or has provided professional, consulting, technical, management or other services to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant.

2. For the purposes hereof, a person or company is considered to be an "affiliated entity" of an other person or company if the person or company would be an affiliated entity of that other person or company for the purposes of the Employee Rule.

3. For the purposes hereof:

(a) "issue", "niece", "nephew" and "sibling" includes any person having such relationship through adoption, whether legally or in fact;

(b) "parent" and "grandparent" includes a parent or grandparent through adoption, whether legally or in fact;

(c) "registered dealer" means a person or company that is registered under the Act as a dealer in a category that permits the person or company to act as dealer for the subject trade; and

(d) "spouse", for an Employee or Executive, means a person who, at the relevant

time, is the spouse of the Employee or Executive.

4. Any terms that are not specifically defined above shall, unless the context otherwise requires, have the meaning:

   (a) specifically ascribed to such term in the Mutual Fund Instrument; or

   (b) if no meaning is specifically ascribed to such term in the Mutual Fund Instrument, the same meaning the term would have for the purposes of the Act.

**Restricted Registration**

Permitted Activities

5. The registration of the Registrant as a mutual fund dealer under the Act shall be for the purposes only of trading by the Registrant in securities of a mutual fund where the trade consists of:

   (a) a Client Name Trade;

   (b) an Exempt Trade;

   (c) a Fund-on-Fund Trade;

   (d) an In Furtherance Trade;

   (e) a Permitted Client Trade; or

   (f) a Seed Capital Trade;

provided that, in the case of all trades that are only referred to in clauses (a) or (e), the trades are limited and incidental to the principal business of the Registrant.

### 2.1.6 Citibank Canada Investment Funds Limited - s. 5.1 of Rule 31-506

**Headnote**

**Director's Decision**

Exemptive relief for a mutual fund dealer from the requirement to become a member of the Mutual Fund Dealers Association.

**Applicable Ontario Statutory Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 25.

**Applicable Ontario Securities Commission Rule**

Rule 31-506 - SRO Membership - Mutual Fund Dealers, s. 2.1.

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

**AND**

**ONTARIO SECURITIES COMMISSION RULE 31-506**
**SRO MEMBERSHIP – MUTUAL FUND DEALERS**
**(the "Rule")**

**AND**

**IN THE MATTER OF**
**CITIBANK CANADA INVESTMENT FUNDS LIMITED**

**DECISION**
**(Section 5.1 of the Rule)**

**UPON** the Director having received an application (the "Application") from (the "Registrant") for a decision, pursuant to section 5.1 of the Rule, exempting the Registrant from the requirement in section 2.1 of the Rule, which would otherwise require that the Registrant be a member of the Mutual Fund Dealers Association of Canada (the "MFDA") on and after July 2, 2002;

**UPON** considering the Application and the recommendation of staff of the Ontario Securities Commission;

**AND UPON** the Registrant having represented to the Director that:

1. the Registrant is registered under the Act as an adviser in the categories of investment counsel and portfolio manager and as a dealer in the categories of mutual fund dealer and limited market dealer;

2. the Registrant is also registered in British Columbia as a mutual fund dealer and is applying for registration as an investment counsel and portfolio manager, and is applying to the British

Columbia Securities Commission for substantially the same relief;

3. the Registrant is a wholly-owned subsidiary of Citibank Canada, a Canadian chartered bank, which is in turn an indirect subsidiary of Citigroup, Inc. (together with its affiliated companies, "Citigroup");

4. the Registrant sells securities of mutual funds and pooled funds to institutional and high net worth individual clients of Citibank Canada, principally through accounts managed by the Registrant under by the terms of an investment management agreement;

5. certain of the mutual funds and pooled funds which would be traded for accounts of clients of the Registrant would be mutual funds and pooled funds managed by either the Registrant or a Citigroup affiliate ("Citigroup Funds");

6. the Registrant does not solicit direct sales of the Citigroup Funds to the public and only accepts purchase, redemption and switch orders for units of the Citigroup Funds from high net worth individuals;

7. the Registrant's trading activities as a mutual fund dealer currently represent and will continue to represent activities that are incidental to its principal business activities;

8. the Registrant has agreed to the imposition of the terms and conditions on the Registrant's registration as a mutual fund dealer set out in the attached Schedule "A", which outlines the activities the Registrant has agreed to adhere to in connection with its application for this Decision;

9. any person or company that is not currently a client of the Registrant on the effective date of this Decision will, before they are accepted as a client of the Registrant, receive prominent written notice from the Registrant that:

> *The Registrant is not currently a member, and does not intend to become a member of the Mutual Fund Dealers Association; consequently, clients of the Registrant will not have available to them investor protection benefits that would otherwise derive from membership of the Registrant in the MFDA, including coverage under any investor protection plan for clients of members of the MFDA;*

10. upon the next general mailing to its account holders and in any event before July 2, 2002, the Registrant shall provide, to any client that was a client of the Registrant on the effective date of this Decision, the prominent written notice referred to in paragraph 10, above;

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

**IT IS THE DECISION** of the Director, pursuant to section 5.1 of the Rule, that the Registrant is exempt from the requirement in section 2.1 of the Rule;

**PROVIDED THAT:**

The Registrant complies with the terms and conditions on its registration under the Act as a mutual fund dealer set out in the attached Schedule "A".

June 5, 2002.

"David M. Gilkes"

**Schedule "A"**

**TERMS AND CONDITIONS OF REGISTRATION OF CITIBANK CANADA INVESTMENT FUNDS LIMITED**

**AS A MUTUAL FUND DEALER**

**Definitions**

1. For the purposes hereof, unless the context otherwise requires:

(a) "Act" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

(b) "Adviser" means an adviser as defined in subsection 1(1) of the Act;

(c) "Client Name Trade" means, for the Registrant, a trade to, or on behalf of, a person or company, in securities of a mutual fund, that is managed by the Registrant or an affiliated entity of the Registrant, where, immediately before the trade, the person or company is shown on the records of the mutual fund or of an other mutual fund managed by the Registrant or an affiliate of the Registrant as the holder of securities of such mutual fund, and the trade consists of:

(A) a purchase, by the person or company, through the Registrant, of securities of the mutual fund; or

(B) a redemption, by the person or company, through the Registrant, of securities of the mutual fund;

and where, the person or company is either a client of the Registrant that was not solicited by the Registrant or was an existing client of the Registrant on the Effective Date;

(d) "Commission" means the Ontario Securities Commission;

(e) "Effective Date" means May 23, 2001;

(f) "Employee", for the Registrant, means:

(A) an employee of the Registrant;

(B) an employee of an affiliated entity of the Registrant; or

(C) an individual that is engaged to provide, on a bona fide basis, consulting, technical, management or other services to the Registrant or to an affiliated entity of the Registrant, under a written contract between the Registrant or the affiliated entity and the individual or a consultant company or consultant partnership of the individual, and, in the reasonable opinion of the Registrant, the individual spends or will spend a significant amount of time and attention on the affairs and business of the Registrant or an affiliated entity of the Registrant;

(g) "Employee", for a Service Provider, means an employee of the Service Provider or an affiliated entity of the Service Provider, provided that, at the relevant time, in the reasonable opinion of the Registrant, the employee spends or will spend, a significant amount of time and attention on the affairs and business of:

(A) the Registrant or an affiliated entity of the Registrant; or

(B) a mutual fund managed by the Registrant or an affiliated entity of the Registrant;

(h) "Employee Rule" means Commission Rule 45-503 Trades To Employees, Executives and Consultants;

(i) "Executive", for the Registrant, means a director, officer or partner of the Registrant or of an affiliated entity of the Registrant;

(j) "Executive", for a Service Provider, means a director, officer or partner of the Service Provider or of an affiliated entity of the Service Provider;

(k) "Exempt Trade", for the Registrant, means:

(i) a trade in securities of a mutual fund that is made between a person or company and an underwriter acting as purchaser or between or among underwriters; or

(ii) a trade in securities of a mutual fund for which the Registrant would have available to it an exemption from the registration

requirements of clause 25(1)(a) of the Act if the Registrant were not a "market intermediary" as such term is defined in section 204 of the Regulation;

(l) "Fund-on-Fund Trade", for the Registrant, means a trade that consists of:

(i) a purchase, through the Registrant, of securities of a mutual fund that is made by another mutual fund;

(ii) a purchase, through the Registrant, of securities of a mutual fund that is made by a counterparty, an affiliated entity of the counterparty or an other person or company, pursuant to an agreement to purchase the securities to effect a hedge of a liability relating to a contract for a specified derivative or swap made between the counterparty and another mutual fund; or

(iii) a sale, through the Registrant, of securities of a mutual fund that is made by another mutual fund where the party purchasing the securities is:

(A) a mutual fund managed by the Registrant or an affiliated entity of the Registrant; or

(B) a counterparty, affiliated entity or other person or company that acquired the securities pursuant to an agreement to purchase the securities to effect a hedge of a liability relating to a contract for a specified derivative or swap made between the counterparty and another mutual fund; and

where, in each case, at least one of the referenced mutual funds is a mutual fund that is managed by either the Registrant or an affiliated entity of the Registrant;

(m) "In Furtherance Trade" means, for the Registrant, a trade by the Registrant that consists of any act, advertisement, or solicitation, directly or indirectly in furtherance of an other trade in securities of a mutual fund, where the other trade consists of:

(i) a purchase or sale of securities of a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or

(ii) a purchase or sale of securities of a mutual fund where the Registrant acts as the principal distributor of the mutual fund; and

where, in each case, the purchase or sale is made by or through an other registered dealer if the Registrant is not otherwise permitted to make the purchase or sale pursuant to these terms and conditions;

(n) "Managed Account" means, for the Registrant, an investment portfolio account of a client under which the Registrant, pursuant to a written agreement made between the Registrant and the client, makes investment decisions for the account and has full discretionary authority to trade in securities for the account without obtaining the client's specific consent to the trade;

(o) "Managed Account Trade" means, for the Registrant, a trade to, or on behalf of a Managed Account of the Registrant, where the trade consists of a purchase or redemption, through the Registrant of securities of a mutual fund, that is made on behalf of the Managed Account;

where, in each case,

(i) the Registrant is the portfolio adviser to the mutual fund;

(ii) the mutual fund is managed by the Registrant or an affiliate of the Registrant; and

(iii) either of:

(A) the mutual fund is prospectus-qualified in Ontario; or

(B) the trade is not subject to sections 25 and 53 of the Act;

(p) "Mutual Fund Instrument" means National Instrument 81-102 Mutual Funds, as amended;

(q) "Permitted Client", for the Registrant, means a person or company that is a client of the Registrant, and that is, or was at the time the person or company became a client of the Registrant:

(i) an Executive or Employee of the Registrant;

(ii) a Related Party of an Executive or Employee of the Registrant;

(iii) a Service Provider of the Registrant or an affiliated entity of a Service Provider of the Registrant;

(iv) an Executive or Employee of a Service Provider of the Registrant; or

(v) a Related Party of an Executive or Employee of a Service Provider of the Registrant;

(r) "Permitted Client Trade" means, for the Registrant, a trade to a person who is a Permitted Client or who represents to the Registrant that he or she is a person included in the definition of Permitted Client, in securities of a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant, and the trade consists of:

(i) a purchase, by the person, through the Registrant, of securities of the mutual fund; or

(ii) a redemption, by the person, through the Registrant, of securities of the mutual fund;

(s) "Pooled Fund Rule" means, for the Registrant, a rule or other regulation that relates, in whole or in part, to the distribution of securities of a mutual fund and/or non-redeemable investment fund, other than pursuant to a prospectus for which a receipt has been obtained from the Director, made by the Registrant on or on behalf of a Managed Account, but does not include Rule 45-501 Exempt Distributions;

(t) "Registered Plan" means a registered pension plan, deferred profit sharing plan, registered retirement savings plan, registered retirement income fund, registered education savings plan or other deferred income plan registered under the Income Tax Act (Canada);

(u) "Registrant" means Citibank Canada Investment Funds Limited;

(v) "Regulation" means R.R.O. 1990, Reg. 1015, as amended, made under the Act;

(w) "Related Party", for a person, means an other person who is:

(i) the spouse of the person;

(ii) the issue of:

(A) the person,

(B) the spouse of the person, or

(C) the spouse of any person that is the issue of a person referred to in subparagraphs (A) or (B) above;

(iii) the parent, grandparent or sibling of the person, or the spouse of any of them;

(iv) the issue of any person referred to in paragraph (iii) above; or

(v) a Registered Plan established by, or for the exclusive benefit of, one, some or all of the foregoing;

(vi) a trust where one or more of the trustees is a person referred to above and the beneficiaries of the trust are restricted to one, some, or all of the foregoing;

(vii) a corporation where all the issued and outstanding shares of the corporation are owned by one, some, or all of the foregoing;

(x) "securities", for a mutual fund, means shares or units of the mutual fund;

(y) "Seed Capital Trade" means a trade in securities of a mutual fund made to a persons or company referred to in any of subparagraphs 3.1(1)(a)(i) to 3.1(1)(a)(iii) of the Mutual Fund Instrument;

(z) "Service Provider", for the Registrant, means:

(i) a person or company that provides or has provided professional, consulting, technical, management or other services to the Registrant or an affiliated entity of the Registrant;

(ii) an Adviser to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or

(iii) a person or company that provides or has provided professional, consulting, technical, management or other services to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant

2. For the purposes hereof, a person or company is considered to be an "affiliated entity" of an other person or company if the person or company would be an affiliated entity of that other person or company for the purposes of the Employee Rule.

3. For the purposes hereof:

(a) "issue", "niece", "nephew" and "sibling" includes any person having such relationship through adoption, whether legally or in fact;

(b) "parent" and "grandparent" includes a parent or grandparent through adoption, whether legally or in fact;

(c) "registered dealer" means a person or company that is registered under the Act as a dealer in a category that permits the person or company to act as dealer for the subject trade; and

(d) "spouse", for an Employee or Executive, means a person who, at the relevant time, is the spouse of the Employee or Executive.

4. Any terms that are not specifically defined above shall, unless the context otherwise requires, have the meaning:

(a) specifically ascribed to such term in the Mutual Fund Instrument; or

(b) if no meaning is specifically ascribed to such term in the Mutual Fund Instrument, the same meaning the term would have for the purposes of the Act.

**Restricted Registration**

Permitted Activities

5. The registration of the Registrant as a mutual fund dealer under the Act shall be for the purposes only of trading by the Registrant in securities of a mutual fund where the trade consists of:

(a) a Client Name Trade;

(b) an Exempt Trade;

(c) a Fund-on-Fund Trade;

(d) an In Furtherance Trade;

(e) a Managed Account Trade, provided that, at the time of the trade, the Registrant is registered under the Act as an adviser in the categories of "investment counsel" and "portfolio manager";

(f) a Permitted Client Trade; or

(g) a Seed Capital Trade;

provided that, in the case of all trades that are only referred to in clauses (a) or (f), the trades are limited and incidental to the principal business of the Registrant, and provided also that paragraph (e) will cease to be in effect one year after the coming into force, subsequent to the date of this Decision, of any Pooled Fund Rule.

### 2.1.7 Franklin Templeton Investments Corp. - MRRS Decision

**Headnote**

Investment by mutual funds in a portfolio of specified mutual funds under common management exempted from the self-dealing prohibitions in clause 111(2)(b), 111(3) and 118(2)(a) and from the reporting requirements of clauses 117(1)(a) and 117(1)(d), subject to certain specified conditions.

**Statutes Cited**

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

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

**AND**

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

**AND**

**IN THE MATTER OF**
**FRANKLIN TEMPLETON INVESTMENTS CORP.**

**AND**

**FRANKLIN TEMPLETON BALANCED INCOME PORTFOLIO**
**FRANKLIN TEMPLETON BALANCED GROWTH PORTFOLIO**
**FRANKLIN TEMPLETON GROWTH PORTFOLIO**
**FRANKLIN TEMPLETON MAXIMUM GROWTH PORTFOLIO**
**(the "New Top Funds")**

**MRRS DECISION DOCUMENT**

**WHEREAS** the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, Alberta, British Columbia, Saskatchewan, Quebec, Nova Scotia, and Newfoundland and Labrador (the "Jurisdictions") has received an application from Franklin Templeton Investments Corp. ("FTIC"), on its own behalf and on behalf of the "New Top Funds" and other portfolios managed by FTIC after the date of this Decision (the "Future Top Funds") having an investment objective that invests substantially all of its assets in other mutual funds managed by FTIC (which together with the New Top Funds are referred to collectively as the "Top Funds" and individually as a "Top Fund") for a decision (the "Decision") pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the following provisions of the Legislation (the "Applicable Requirements") shall not apply to the Top Funds or FTIC, as the case may be, in respect of certain investments to be made by the Top Funds in Underlying Funds (as defined herein) from time to time:

(a) the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder;

(b) the restrictions contained in the Legislation prohibiting a portfolio manager or, in British Columbia, the mutual fund, from knowingly causing an investment portfolio managed by it to invest in any issuer in which a "responsible person" (as that term is defined in the Legislation) is an officer or director, unless the specific fact is disclosed to the client and, if applicable, the written consent of the client to the investment is obtained before the purchase; and

(c) the requirements contained in the Legislation requiring a management company or, in British Columbia, a mutual fund manager, to file a report relating to a purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies.

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

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

1. FTIC is a corporation amalgamated under the laws of the Province of Ontario and is or will be the manager of each of the Top Funds and each of the Underlying Funds (collectively, the "FTIC Funds"). FTIC's head office is located in Toronto, Ontario.

2. The FTIC Funds (other than Templeton Growth Fund, Ltd.) are or will be open-ended mutual fund trusts established under the laws of the Provinces of Ontario or Alberta by a Declaration of Trust, or will be open-end mutual fund corporations incorporated in Canada under federal or provincial law. Templeton Growth Fund, Ltd. is a mutual fund corporation established under the Canada Business Corporations Act.

3. A preliminary and pro forma simplified prospectus and annual information form dated April 10, 2002 (together the "Prospectus") has been filed under SEDAR Project No. 435468 in all of the provinces

and territories of Canada for purposes of qualification or continued qualification for distribution, as the case may be, of the Existing Underlying Funds and the new Top Funds;

4. Each of the FTIC Funds is or will be a reporting issuer in each of the provinces and territories of Canada.

5. Each Top Fund seeks to achieve its investment objective by investing substantially all of its assets in a combination of securities of the Underlying Funds. Except for transitional cash, each Top Fund will be 100% invested in securities of the Underlying Funds.

6. Franklin Templeton is currently the manager of Templeton Growth Fund, Ltd., Templeton International Stock Fund, Templeton Global Smaller Companies Fund, Bissett Bond Fund, Bissett Income Fund, Bissett American Equity Fund, Bissett Canadian Equity Fund, Bissett Small Cap Fund, Bissett Microcap Fund, Franklin U.S. Large Cap Growth Fund, Franklin U.S. Small Cap Growth Fund and Mutual Beacon Fund (the "Existing Underlying Funds") and may in the future establish other mutual fund trusts or corporations (the "Future Underlying Funds", which together with the Existing Underlying Funds are referred to herein as "Underlying Funds").

7. Each of the Top Funds will not invest in any other mutual funds whose investment objectives include investing directly or indirectly in other mutual funds.

8. In order to achieve its investment objective, each Top Fund will invest fixed percentages (the "Fixed Percentages") of its assets, excluding cash and cash equivalents held to meet redemptions and expenses, directly in securities of the Underlying Funds, subject to variation of 2.5% above or below the Fixed Percentages (the "Permitted Ranges") resulting from market fluctuations.

9. The simplified prospectus for each Top Fund will disclose the names and investment objectives, investment strategies, risks and restrictions of the Underlying Funds along with the Fixed Percentages and the Permitted Ranges.

10. Except to the extent evidenced by this Decision and specific approvals granted by the Decision Makers pursuant to National Instrument 81-102 ("NI 81-102"), the investments by each Top Fund in the Underlying Funds have been structured to comply with the investment restrictions of the Legislation and NI 81-102.

11. In the absence of this Decision, pursuant to the Legislation, the Top Funds are prohibited from knowingly making or holding an investment in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder. As a result, in the absence of this Decision the Top Funds would be required to divest themselves of any such investments.

12. In the absence of this Decision, the Legislation requires FTIC to file a report on every purchase or sale of securities of the Underlying Funds by the Top Funds.

13. In the absence of this Decision, pursuant to the Legislation, FTIC is prohibited from causing the Top Funds to invest in the Underlying Funds unless the specific fact is disclosed to securityholders of the Top Funds and the written consent of securityholders of the Top Funds is obtained before the purchase.

14. The investments by the Top Funds in securities of the Underlying Funds represent the business judgment of "responsible persons" (as defined in the Legislation) uninfluenced by considerations other than the best interests of the Top Funds.

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

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

**THE DECISION** of the Decision Makers pursuant to the Legislation is that the Applicable Requirements shall not apply so as to prevent the Top Funds from making and holding investments in securities of the Underlying Funds or so as to require FTIC to file a report relating to each purchase or sale of such securities and disclose such purchase to securityholders of the Top Funds and obtain their written consent to the investment prior to the purchase.

**PROVIDED IN EACH CASE THAT:**

1. the Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with matters in subsection 2.5 of NI 81-102.

2. the Decision shall only apply if, at the time the Top Funds make or hold investments in the Underlying Funds, the following conditions are satisfied:

   (a) the securities of both the Top Fund and the Underlying Funds are being offered for sale in the jurisdiction of the Decision Maker pursuant to a simplified prospectus and annual information form which has been filed with and accepted by the Decision Maker;

(b) the investment by the Top Fund in the Underlying Funds is compatible with the fundamental investment objective of the Top Fund;

(c) the Prospectus discloses:

(i) the intent of the Top Fund to invest substantially all of its assets in securities comprised of a combination of the Underlying Funds;

(ii) the managers of the Underlying Funds;

(iii) the names of the Underlying Funds;

(iv) the Fixed Percentages and the Permitted Ranges within which such Fixed Percentages may vary; and

(v) the investment objectives, investment strategies, risks and restrictions of the Underlying Funds;

(d) the investment objective and strategies of each Top Fund discloses that the Top Fund invests substantially all of its assets in securities of the Underlying Funds;

(e) the Underlying Funds are not mutual funds whose investment objectives include investing directly or indirectly in other mutual funds;

(f) each Top Fund invests its assets (exclusive of cash and cash equivalents) in specified Underlying Funds in accordance with the Fixed Percentages disclosed in the simplified prospectus of the Top Fund ;

(g) the Top Fund's holding of securities in the Underlying Funds does not deviate from the Permitted Ranges;

(h) any deviation from the Fixed Percentages is caused by market fluctuations only;

(i) if an investment of any Top Fund in the Underlying Funds has deviated from the Permitted Ranges as a result of market fluctuations, the Top Fund's investment portfolio is re-balanced to comply with the Fixed Percentages on the next day on which the net asset value was calculated following the deviation;

(j) if the Fixed Percentages and the Underlying Funds have changed, either the Prospectus has been amended in accordance with securities legislation to reflect this significant change, or a new simplified prospectus has been filed to reflect the proposed change and existing securityholders of the Top Funds have been given at least 60 days prior written notice of the proposed change;

(k) there are compatible dates for the calculation of the net asset value of the Top Fund and the Underlying Funds for the purpose of the issue and redemption of the securities of such mutual funds;

(l) no sales charges are payable by a Top Fund in relation to its purchases of securities of the Underlying Funds;

(m) no redemption fees or other charges are charged by the Underlying Funds in respect of the redemption by a Top Fund of securities of the Underlying Funds owned by the Top Fund;

(n) no fees or charges of any sort are paid by the Top Fund and the Underlying Funds, by their respective managers or principal distributors, or by any affiliate or associate of any of the foregoing entities, to anyone in respect of the Top Fund's purchase, holding or redemption of the securities of the Underlying Funds;

(o) the arrangements between or in respect of the Top Fund and the Underlying Funds are such as to avoid the duplication of management fees;

(p) any notice provided to security holders of an Underlying fund as required by applicable laws or the constating documents of that Underlying Fund, has been delivered by the Top Fund to its security holders;

(q) all of the disclosure and notice material prepared in connection with a meeting of security holders of the Underlying Funds and received by the Top Fund has been provided to its security holders, the security holders have been permitted to direct a representative of the Top Fund to vote its holdings in the Underlying Fund in accordance with their direction, and the representative of the Top Fund has not voted its holdings in the Underlying Fund except to the extent the security holders of the Top Fund have directed;

(r) in addition to receiving the annual and, upon request, the semi-annual financial statements of the Top Fund, securityholders of the Top Fund have received appropriate summary disclosure in respect of the Top Funds' holdings of securities of the Underlying Funds in the financial statements of the Top Fund; and

(s) to the extent that the Top Fund and the Underlying Funds do not use a combined simplified prospectus and annual information form containing disclosure about the Top Fund and the Underlying Funds, copies of the simplified prospectus and annual information form of the Underlying Funds have been provided upon request to securityholders of the Top Fund and the right to receive these documents is disclosed in the simplified prospectus of the Top Fund.

June 7, 2002.

"Paul M. Moore" "Robert L. Shirriff"

### 2.1.8 Minnesota Mining and Manufacturing Company - MRRS Decision

**Headnote**

MRRS - Registration and prospectus relief for issuance of securities by foreign issuer to Canadian employees and related trades under stock ownership plans - Issuer bid relief for foreign issuer in connection with acquisition of shares under stock ownership plans.

**Applicable Ontario Statutory Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 35(1)(1), 35(1)(12)(iii), 72(1)(f)(iii), 74(1), 89, 93(3)(d) and 104(2)(c).

**Applicable Regulations**

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., s. 183.

**Applicable Ontario Rules**

Rule 45-502 – Dividend or Interest Reinvestment and Stock Dividend Plans – s. 2.1.
Rule 45-503 – Trades to Employees, Executives and Consultants – ss. 2.2, 2.4, 3.3 and 3.5.

**Applicable Instrument**

Multilateral Instrument 45–102 – Resale of Securities – s. 2.14.

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

**AND**

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

**AND**

**IN THE MATTER OF**
**MINNESOTA MINING AND MANUFACTURING COMPANY**

**MRRS DECISION DOCUMENT**

**WHEREAS** the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Manitoba, Ontario, Quebec and Nova Scotia (the "Jurisdictions") has received an application from Minnesota Mining and Manufacturing Company ("3M") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that certain trades in securities of 3M made in connection with the operation of the 3M 2002 Management Stock Ownership Program, as such plan may be amended, supplemented, superseded or re-enacted from time to time (the "Plan"),

including shares of common stock of 3M (the "Shares") to be acquired upon the optional reinvestment of dividends payable by 3M (the "Dividend Reinvestments"):

(i) shall not be subject to the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") (collectively, the "Registration and Prospectus Requirements"); and

(ii) shall not be subject to the requirements contained in the Legislation pertaining to bids to acquire or redeem securities of an issuer made by an issuer (the "Issuer Bid Requirements");

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

**AND WHEREAS** 3M has represented to the Decision Makers as follows:

1. 3M is a corporation incorporated under the laws of Delaware, is not a reporting issuer under the Legislation and has no present intention of being a reporting issuer under the Legislation. 3M's executive offices are located in St. Paul, Minnesota. The majority of the directors and senior officers of 3M are resident outside Canada.

2. The share capital of 3M consists of shares of common stock having $0.01 par value per share of which 1.5 billion shares are authorized and 391,303,636 are issued as of December 31, 2001, and shares of preferred stock without par value of which 10 million are authorized but none are issued.

3. 3M is subject to the requirements of the Securities Exchange Act of 1934, as amended, of the United States, and the Shares are listed and posted for trading on the New York Stock Exchange ("NYSE").

4. The purposes of the Plan are to help 3M and its subsidiaries attract and retain outstanding employees ("Employees") and to promote the growth and success of 3M's business by aligning the financial interests of these Employees with the other stock holders of 3M.

5. Under the Plan, eligible Employees are granted stock options ("Options"), appreciation rights, restricted stock or other stock awards (collectively, "Awards") which are non-transferable other than to a permitted transferee (a "Permitted Transferee") by will (or other death beneficiary designation), the law of descent and distribution or certain other exemptions.

6. The Plan is administered by a committee (the "Committee") of three non-employee members of the board of directors of 3M.

7. 3M proposes to use the services of an agent (the "Plan Broker") in connection with the Plan and the Dividend Reinvestments. Currently the Plan Brokers are Strong Investments Inc. and Salomon Smith Barney Inc., each of which is registered as a broker under applicable legislation in the United States, but neither of which are registered as securities dealers in any of the Jurisdictions.

8. The Plan Brokers will administer the operation of the Plan, including the exercise of Awards by Employees, former Employees and the legal representatives of Employees and former Employees (collectively, the "Participants") resident in the Jurisdictions, and the sale by the Participants of any Shares acquired under the Plan or upon Dividend Reinvestment.

9. The Plan provides that no more than 22,700,000 Shares may be issued as a result of Awards and no Participant may be granted Awards with respect to more than 2,000,000 Shares.

10. Shares issued to Participants upon the exercise of Options granted under the Plan will be authorized and unissued Shares or issued Shares reacquired by 3M.

11. The exercise price for each Option will be determined by the Committee but in any event will not be less than 100% of the fair market value of the Shares on the date the Option is granted which is defined in the Plan as the average of the high and low prices for the Shares as reported by the New York Stock Exchange Composite Transactions, rounded up to the nearest U.S. $0.05.

12. Payment ("Payment") by a Participant in connection with an Award is payable to 3M in cash or by tendering previously acquired Shares valued at the fair market value at the time of Payment.

13. As at December 31, 2001 there were approximately 282 Canadians eligible to participate in the Plan, of which there were 16 Employees in British Columbia, 7 Employees in Alberta, 2 Employees in Manitoba, 241 Employees in Ontario, 15 Employees in Quebec and 1 Employee in Nova Scotia.

14. As at December 4, 2001 residents of Canada did not own, directly or indirectly, more than ten percent of the outstanding Shares and did not represent more then ten percent of the number of

owners, direct or indirect, of Shares. If at any time during the currency of the Plan Canadian shareholders of 3M hold, in aggregate, greater than 10% of the total number of issued and outstanding Shares or if such shareholders constitute more than 10% of all shareholders of 3M, 3M will apply to the Jurisdictions for an order with respect to further trades to and by Participants in the Jurisdictions in respect of Shares acquired under the Plan.

15. Employees will not be induced to participate in the Plan by expectation of employment or continued employment.

16. All disclosure material relating to 3M that 3M is required to file with the Securities and Exchange Commission in the United States will be provided or made available upon request to the Participants who acquire Shares pursuant to Awards, at the same time, and in the same manner, as such materials are provided or made available upon request to holders of Shares who are resident in the United States.

17. The purchase of Shares from a Participant by 3M in connection with a Payment may constitute an "issuer bid" as defined under the Legislation of each of the Jurisdictions. Exemptions from the Issuer Bid Requirements may not be available for such purchases, since the formula under the Plan for establishing market value will not necessarily establish a price that is equal to or less than market value as prescribed under the Legislation. Furthermore, such exemptions are not available for purchases from legal representatives of Canadian Employees.

18. Since there is no market for the Shares in Canada and none is expected to develop, any resale of the Shares acquired under the Plan will be effected through the facilities of, and in accordance with the rules applicable to, a stock exchange or market outside of Canada on which the Shares may be listed or quoted for trading.

19. The Legislation of each of the Jurisdictions does not contain exemptions from the Registration and Prospectus Requirements for all of the potential trades in Awards under the Plan.

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

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

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

1. the Registration and Prospectus Requirements will not apply to any trade or distribution of Awards made in connection with the Plan, including trades and distributions involving 3M and its Canadian affiliates, the Plan Brokers, the Participants and Permitted Transferees, provided that;

   (a) except in Quebec, the first trade in Shares acquired through the Plan pursuant to this Decision will be deemed a distribution or primary distribution to the public under the Legislation unless the conditions in subsection 2.14(1) of Multilateral Instrument 45-102 Resale of Securities are satisfied; and

   (b) in Quebec, the first trade in Shares acquired through the Plan pursuant to this Decision will be deemed a distribution unless the alienation (resale) is made outside Quebec;

2. the first trade by Participants or Permitted Transferees, in Shares acquired pursuant to the Plan including first trades effected through the Plan Brokers, will not be subject to the Registration Requirement, provided such first trade is executed through a stock exchange or market outside of Canada; and

3. the Issuer Bid Requirements of the Legislation shall not apply to purchases of Shares from Canadian Participants by 3M provided such purchases of Shares are made in accordance with the terms of the Plan.

June 11, 2002.

"Paul M. Moore" "Harold P. Hands"

### 2.1.9 MYDAS Fund - MRRS Decision

**Headnote**

MRRS - Closed-end investment trust exempt from prospectus and registration requirements in connection with issuance of units to existing unitholders pursuant to a distribution reinvestment plan whereby distributions of income are reinvested in additional units of the trust, subject to certain conditions - First trade relief provided, subject to certain conditions.

**Applicable Ontario Statutory Provisions**

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

**Applicable Ontario Rules**

Rule 45-502 - Dividend or Interest Reinvestment and Stock Dividend Plans.

**Applicable Instrument**

Multilateral Instrument 45-501 - Resale of Securities - s. 2.6(4).

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

**AND**

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

**AND**

**IN THE MATTER OF**
**MYDAS FUND**

**MRRS DECISION DOCUMENT**

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Ontario, British Columbia, Manitoba, New Brunswick, Newfoundland, Nova Scotia, Prince Edward Island, Quebec and Saskatchewan (the "Jurisdictions") has received an application from MYDAS Fund (the "Fund"), for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a final prospectus (the "Registration and Prospectus Requirements") shall not apply to the distribution of trust units of the Fund under a distribution reinvestment plan (the "DRIP");

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 the Fund has represented to the Decision Makers that:

   3.1 the Fund is a closed-end investment trust established under the laws of Alberta under a declaration of trust dated December 18, 2001 (the "Declaration of Trust");

   3.2 Computershare Trust Company of Canada is the trustee of the Fund (in such capacity, the "Trustee");

   3.3 under the Declaration of Trust, the Fund is authorized to issue an unlimited number of transferable, non-redeemable trust units (the "Trust Units"), of which there were 9,905,631 Trust Units outstanding on March 25, 2002;

   3.4 the Fund is not a mutual fund as described in the Legislation because the holders of Trust Units (the "Unitholders") are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Fund as contemplated in the definition of mutual fund in the Legislation;

   3.5 the assets of the Fund consist of a portfolio of securities including Canadian income funds and Canadian high yielding investment grade debt, as well as cash (the "Assets");

   3.6 the Fund was created to:

      3.6.1 provide Unitholders with a stable, tax effective income stream derived from the distribution of income to the Fund from the portfolio of securities that it holds ("Distributable Income"); and

      3.6.2 return at least the original issue price of the Trust Units to Unitholders upon termination of the Fund;

   3.7 each Trust Unit represents an equal fractional undivided beneficial interest in the net assets of the Fund, and entitles its holder to one vote at meetings of

Unitholders and to participate equally with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, if any;

3.8 the Fund became a reporting issuer in each province of Canada on January 28, 2002 when it obtained a Final Decision Document for its prospectus dated January 28, 2002 (the "Prospectus");

3.9 the Fund is not a qualifying issuer as defined in Multilateral Instrument 45-102 *Resale of Securities*;

3.10 MYDAS Management Inc. (the "Administrator") is the authorized attorney of the Fund;

3.11 the Trust Units are listed on The Toronto Stock Exchange;

3.12 the Trust Units are only available in book-entry form whereby CDS & Co., a nominee of The Canadian Depository for Securities Limited, is the only registered holder of Trust Units;

3.13 the Fund has established the DRIP to permit Unitholders, at their discretion, to automatically reinvest the Distributable Income paid on their Trust Units in additional Trust Units ("DRIP Units") as an alternative to receiving cash distributions;

3.14 distributions due to participants in the DRIP ("DRIP Participants") will be paid to Computershare Trust Company of Canada in its capacity as agent under the DRIP (in such capacity, the "DRIP Agent") and applied to the purchase of DRIP Units;

3.15 no commissions, service charges, or brokerage fees will be payable by DRIP Participants in connection with the DRIP;

3.16 the DRIP Agent will purchase DRIP Units from the Fund at the net asset value per Trust Unit as at the applicable distribution date;

3.17 DRIP Participants may terminate their participation in the DRIP by providing 10 days' written notice to the DRIP Agent prior to the applicable record date;

3.18 DRIP Participants do not have the option of making cash payments to purchase additional DRIP Units under the DRIP;

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

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

6. THE DECISION of the Decision Makers under the Legislation is that the Registration and Prospectus Requirements will not apply to trades and distributions by the Fund of DRIP Units, provided that:

6.1 at the time of the trade or distribution the Fund is a reporting issuer or the equivalent under the Legislation and is not in default of any requirements of the Legislation;

6.2 no sales charge is payable in respect of the trade or distributions;

6.3 the Fund has caused to be sent to the person or company to whom the DRIP Units are traded, not more than 12 months before the trade, a statement describing:

6.3.1 their right to withdraw from the DRIP and to make an election to receive cash instead of DRIP Units on the making of a distribution of income by the Fund; and

6.3.2 instructions on how to exercise the right referred to in 6.3.1;

6.4 disclosure of the distribution of the DRIP Units is made to the relevant Jurisdictions by providing the particulars of the date of the distribution of such DRIP Units, the number of such DRIP Units and the purchase price paid or to be paid for such DRIP Units in:

6.4.1 an information circular or take-over bid circular filed in accordance with the Legislation; or

6.4.2 a letter filed with the Decision Maker in the appropriate Jurisdiction by a person or company certifying that the person or company has knowledge of the facts contained in the letter;

when the Fund distributes such DRIP Units for the first time and thereafter, not

less frequently than annually, unless the aggregate number of DRIP Units so traded in any month exceeds 1% of the Trust Units outstanding at the beginning of the month in which the DRIP Units were traded, in which case a separate report will be filed in each relevant Jurisdiction in respect of that month within 10 days of the end of such month;

6.5 except in Quebec, the first trade in DRIP Units acquired under this Decision in a Jurisdiction will be deemed a distribution or primary distribution to the public under the Legislation unless the conditions in paragraphs 2 through 5 of subsection 2.6(4) of MI 45-102 are satisfied;

6.6 in Quebec, the first trade (alienation) of DRIP Units acquired under this Decision in a Jurisdiction will be deemed a distribution or a primary distribution to the public unless:

6.6.1 at the time of the first trade the Fund is a reporting issuer in Quebec and is not in default of any of the requirements of securities legislation in Quebec;

6.6.2 no unusual effort is made to prepare the market or to create a demand for the DRIP Units;

6.6.3 no extraordinary commission or consideration is paid to a person or company other than the vendor of the DRIP Units in respect of the trade;

6.6.4 the vendor of the DRIP Units, if in a special relationship with the Fund, has no reasonable grounds to believe that the Fund is in default of any requirement of the securities legislation in Quebec.

May 31, 2002.

“Glenda A. Campbell” “Walter B. O'Donoghue”

## 2.2 Orders

### 2.2.1 Franklin Templeton Investments Corp. - ss. 59(1) of Sched. I of Reg. 1015

**Headnote**

Exemption from the fees otherwise due under subsection 14(1) of Schedule 1 of the Regulation to the Securities Act on the distribution of units made by "Underlying" funds arising in the context of fund-of-fund structures.

**Regulations Cited**

Regulations made under the Securities Act, R.S.O. 1990, Reg, 1015, as am., Schedule 1, ss. 14(1).

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

**AND**

**IN THE MATTER OF**
**FRANKLIN TEMPLETON INVESTMENT CORP.**

**ORDER**
**(Subsection 59(1) of Schedule I of the Regulation)**

**UPON** the application of Franklin Templeton Investments Corp. ("Franklin"), the manager and trustee of Franklin Templeton Balanced Income Portfolio, Franklin Templeton Balanced Growth Portfolio, Franklin Templeton Growth Portfolio and Franklin Templeton Maximum Growth Portfolio (the "Portfolios") and Bissett Retirement Fund other similar top funds that it may establish in the future (collectively the "Top Funds") and the manager and trustee (other than in the case of Templeton Growth Fund, Ltd.) of Templeton Growth Fund, Ltd., Templeton International Stock Fund, Templeton Global Smaller Companies Fund, Franklin U.S. Large Cap Growth Fund, Franklin U.S. Small Cap Growth Fund, Bissett Canadian Equity Fund, Bissett Small Cap Fund, Bissett Large Cap Fund, Bissett Bond Fund, Bissett Income Fund, Bissett Microcap Fund, Bissett International Equity Fund, Bissett Multinational Growth Fund, Bissett American Equity Fund, Bissett Money Market Fund and Mutual Beacon Fund and other similar funds that it may establish in the future (collectively the "Underlying Funds") for an order pursuant to subsection 59(1) of Schedule I of the Regulation exempting the Underlying Funds from the payment of the annual filing fees payable under Section 14 of Schedule I of the Regulation in respect of the distribution of units or shares (collectively, the "Securities") of the Underlying Funds to the Top Funds (including the reinvestment of distributions (the "Reinvested Securities")).

**AND UPON** considering the application and the recommendations of the staff of the Commission.

**AND UPON** Franklin having represented to the Commission that:

1. The Top Funds and the Underlying Funds are, or will be, open-end mutual fund trusts or shares of Templeton Growth Fund, Ltd (a mutual fund corporation). Franklin is a corporation amalgamated under the laws of Ontario.

2. Franklin is the manager of the Top Funds and the Underlying Funds. Franklin is also the trustee of the Top Funds and Underlying Funds, other than Templeton Growth Fund, Ltd.

3. All distributions by the Underlying Funds of (i) Securities to the Top Funds and (ii) Reinvested Securities, are made in Ontario.

4. The existing Top Funds and the Underlying Funds are, or will be, 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. The Securities of the Top Funds and the Securities of the Underlying Funds are or will be qualified for distribution pursuant to a simplified prospectus and an annual information form in those jurisdictions.

5. As part of their investment strategy the Top Funds invest substantially all of their assets in Securities of their corresponding Underlying Funds.

6. Applicable securities regulatory approvals for the fund-on-fund investment strategies of the Top Funds have been obtained. To seek approval of the investment strategies of the Portfolios, an exemptive relief application has been filed and is under consideration by the applicable securities regulatory authorities.

7. Annually, each of the Top Funds will be required to pay filing fees to the Commission in respect of the distribution of its Securities 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 Securities in other relevant Canadian jurisdictions pursuant to applicable securities legislation in each of those jurisdictions.

8. Annually, each of the Underlying Funds will be required to pay filing fees in respect of the distribution of its Securities in Ontario, including Securities issued to the Top Funds pursuant to Section 14 of Schedule I of the Regulation and will similarly be required to pay fees based on the distribution of its Securities in other relevant Canadian jurisdictions pursuant to the applicable securities legislation in each of those jurisdictions.

9. A duplication of filing fees pursuant to Section 14 of Schedule I of the Regulation may result when (a) assets of a Top Fund are invested in the applicable Underlying Fund and (b) Reinvested Securities are distributed.

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

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

May 31, 2002.

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

**Schedule "A"**

**EXISTING TOP FUNDS**

Templeton Growth Tax Class
Templeton International Stock Tax Class
Templeton Emerging Markets Tax Class
Templeton Global Smaller Companies Tax Class
Templeton Canadian Stock Tax Class
Franklin U.S. Large Cap Growth Tax Class
Franklin U.S. Aggressive Growth Tax Class
Franklin U.S. Small Cap Growth Tax Class
Franklin World Health Sciences and Biotech Tax Class
Franklin World Telecom Tax Class
Franklin Technology Tax Class
Franklin U.S. Money Market Tax Class
Franklin World Growth Tax Class
Bissett Canadian Equity Tax Class
Bissett Small Cap Tax Class
Bissett Multinational Growth Tax Class
Bissett Bond Tax Class
Bissett Money Market Tax Class
Mutual Beacon Tax Class
(all of which are classes of special shares of Franklin Templeton Tax Class Corp.)

**Schedule "B"**

**EXISTING UNDERLYING FUNDS**

Templeton Growth Fund, Ltd.
Templeton International Stock Fund
Templeton Emerging Markets Fund
Templeton Global Smaller Companies Fund
Templeton Canadian Stock Fund
Franklin U.S. Large Cap Growth Fund
Franklin U.S. Aggressive Growth Fund
Franklin U.S. Small Cap Growth Fund
Franklin World Health Sciences and Biotech Fund
Franklin World Telecom Fund
Franklin Technology Fund
Franklin U.S. Money Market Fund
Franklin World Growth Fund
Bissett Canadian Equity Fund
Bissett Small Cap Fund
Bissett Multinational Growth Fund
Bissett Bond Fund
Bissett Money Market Fund
Mutual Beacon Fund

### 2.2.2 Credit Agricole Indosuez Securities, Inc. - s. 211 of Reg. 1015

**Headnote**

Application in connection with application for registration as an international dealer, for an order pursuant to section 211 of the Regulation exempting the applicant from the requirement in subsection 208(2) of the Regulation that it carry on the business of an underwriter in a country other than Canada to be able to register in Ontario as an international dealer.

**Statutes Cited**

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

**Regulations Cited**

Regulation made under the Securities Act, R.R.O., Reg. 1015, as am., ss. 100(3), 208(2) and 211.

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

**AND**

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

**AND**

**IN THE MATTER OF**
**CREDIT AGRICOLE INDOSUEZ SECURITIES, INC.**

**ORDER**
**(Section 211 of the Regulation)**

**UPON** the application (the "Application") of Credit Agricole Indosuez Securities, Inc. (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order (the "Order"), pursuant to section 211 of the Regulation, exempting the Applicant from the requirement in subsection 208(2) of the Regulation that the Applicant carry on the business of an underwriter in a country other than Canada, for the Applicant to be registered under the Act as a dealer in the category of "international dealer";

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

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant has filed an application for registration as a dealer under the *Securities Act* (Ontario ) (the "Act") in the category of "international dealer" in accordance with section 208 of the Regulation. The Applicant is not presently registered in any capacity under the Act.

2. The Applicant is a corporation incorporated under the laws of the state of Delaware. The Applicant's principal place of business is located in New York City, New York.

   The Applicant is registered as a broker-dealer in the United States of America (the "United States") with the Securities and Exchange Commission, and such registration permits the Applicant to carry on broker-dealer activities in the United States. The Applicant is registered with, and is a member of, the National Association of Securities Dealers (the "NASD") and is registered in good standing as a broker-dealer in twenty-two jurisdictions of the United States.

3. The Applicant carries on the business of a broker-dealer in the United States (as defined in sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934). The Applicant markets foreign securities for United States and foreign institutional customers, executing transactions through both foreign affiliates and other brokers and dealers. The Applicant executes transactions in United States securities on behalf of United States and foreign institutional customers on a fully disclosed basis through a registered United States clearing broker-dealer.

4. The Applicant does not operate, nor does it carry on the business of, an alternative trading system or electronic communications network in the United States.

5. The Applicant does not currently act as an "underwriter" in the United States (as defined in section 3(a)(20) of the Securities Exchange Act of 1934, as amended) or in any jurisdiction outside of the United States.

6. In the absence of the relief requested in this Application, the Applicant would not meet the requirements of the Regulation for registration as an "international dealer" as it does not carry on the business of an underwriter in a country other than Canada.

7. The Applicant does not currently act as an underwriter in Ontario and will not act as an underwriter in Ontario if it is registered under the Act as an "international dealer", despite the fact that subsection 100(3) of the Regulation provides that an "international dealer" is deemed to have been granted registration as an underwriter for the purposes of a distribution which it is permitted to make.

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

**IT IS ORDERED**, pursuant to section 211 of the Regulation, that, in connection with the registration of the Applicant as a dealer under the Act in the category of

"international dealer", the Applicant is exempt from the provisions of subsection 208(2) of the Regulation requiring that the Applicant carry on the business of an underwriter in a country other than Canada, provided that, so long as the Applicant is registered under the Act as an "international dealer":

(a) the Applicant carries on the business of a dealer in a country other than Canada; and

(b) notwithstanding subsection 100(3) of the Regulation, the Applicant shall not act as an underwriter in Ontario.

June 4, 2002.

"Paul M. Moore" "Robert W. Korthals"

### 2.2.3 Franklin Templeton Tax Class Corp. - ss. 59(1) of Sched. I of Reg. 1015

**Headnote**

Exemption pursuant to subsection 59(1) of Schedule 1 of the Regulation made under the Securities Act (Ontario) to allow a mutual fund that is not a money market fund topay regulatory filing fees payable in connection with the distribution of securities that are based on the rate applicable to money market funds.

**Regulations Cited**

Regulations made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Schedule 1, ss. 13(3).

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

**AND**

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

**AND**

**IN THE MATTER OF**
**FRANKLIN TEMPLETON TAX CLASS CORP.**
**FRANKLIN U.S. MONEY MARKET TAX CLASS**
**BISSETT MONEY MARKET TAX CLASS**

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

**UPON** the application of Franklin Templeton Tax Class Corp. (the "Corporation"), on behalf of Franklin U.S. Money Market Tax Class (the "Franklin Tax Class") and Bissett Money Market Tax Class (the "Bissett Tax Class") (collectively the "Funds"), two of the classes of shares of the Corporation, for an order pursuant to subsection 59(1) of Schedule I to (the "Schedule") the Regulation that the fees paid by the Funds pursuant to subsection 14(2) of the Schedule to the Regulation with respect to the distribution of securities of the Funds be based on the applicable percentage of the aggregate net sales, rather than the aggregate gross sales, of the Funds realized in Ontario;

**AND UPON** considering the application and the recommendations of the staff of the Ontario Securities Commission (the "Commission");

**AND UPON** the Corporation having represented to the Commission that:

1. The Funds are two of the 21 classes of mutual fund shares of the Corporation, a mutual fund corporation incorporated under the laws of Alberta.

2. The investment strategy of each of the Funds is to achieve a high level of current income while seeking to protect capital and to maintain liquidity. The Franklin Tax Class seeks a similar return to Franklin U.S. Money Market Fund (the "Franklin Underlying Fund) by investing substantially all of its assets in units of the Franklin Underlying Fund. The Bissett Tax Class seeks a similar return to Bissett Money Market Fund (the "Bissett Underlying Fund") by investing substantially all of its assets in units of the Bissett Underlying Fund. The Franklin Underlying Fund and the Bissett Underlying Fund are collectively referred to as the "Underlying Funds".

3. Franklin Templeton Investments Corp. (the "Manager") is a corporation amalgamated under the laws of Ontario and its head office is located in Ontario.

4. The Manager is the manager of each of the Funds and the Underlying Funds.

5. Shares of each Fund and units of each Underlying Fund are currently qualified for distribution in all of the province and territories of Canada pursuant to a simplified prospectus and annual information form dated May 31, 2001.

6. Each Underlying Fund is an open-end mutual fund trust governed by the laws of the Province of Ontario.

7. Each Fund and Underlying Fund is a reporting issuer in each of the provinces and territories of Canada and is not in default of any requirements of the securities acts or regulations applicable in each of the provinces and territories of Canada.

8. Because each of the Funds is in its first year of distribution, the Funds have not yet paid any fees relating to the distribution of their securities under section 14 of the Schedule.

9. The prospectus disclosure for each Fund indicates that the Fund is suitable as a cash component equivalent and that the Fund is suitable for investors wishing to invest their funds temporarily in the Fund with a low level of risk.

10. The Funds are not money market funds within the meaning of section 1.1 of National Instrument 81-102 ("NI 81-102") because the Funds invest primarily in units of the Underlying Funds. Accordingly, pursuant to section 14 of the Schedule, the Funds 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 Funds rather than based on a percentage of the aggregate net sales in Ontario if the Funds were treated as money market mutual funds.

11. If the Funds are required to pay fees based on gross proceeds rather than on net sales, the Funds will be paying higher fees than the Underlying Funds which fit 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 the Schedule that the fees paid by the Funds pursuant to subsection 14(2) of the Schedule with respect to the distribution of securities of the Funds be based on the applicable percentage of the aggregate net sales realized in Ontario from the distribution of securities of the Funds, 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 Funds.

**AND IT IS FURTHER ORDERED** pursuant to subsection 59(1) of the Schedule that the fees paid by the Funds pursuant to subsection 13(3) of the Schedule on each renewal of the simplified prospectus for the Funds are the fees applicable to money market mutual funds.

May 31, 2002.

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

### 2.2.4 Command Post and Transfer Corporation - ss. 83.1(1)

**Headnote**

Subsection 83.1(1) - order deeming CDNX listed issuer to be a reporting issuer in Ontario - reporting issuer in British Columbia and Alberta since 1999 - continuous disclosure requirements of British Columbia and Alberta substantially the same as Ontario.

**Statutes Cited**

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

**Policies Cited**

Ontario Securities Commission Policy 12-602 - Deeming an Issuer in 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**
**COMMAND POST AND TRANSFER CORPORATION**

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

**UPON** the application of Command Post and Transfer Corporation ("Command") for an order pursuant to subsection 83.1(1) of the Act, deeming Command to be a reporting issuer for the purposes of Ontario securities law (as defined in the Act);

**AND UPON** considering the application and the recommendation of the staff of the Ontario Securities Commission (the "Commission");

**AND UPON** Command representing to the Commission as follows:

1. Command was incorporated under the Business Corporations Act (Ontario) ("OBCA") on May 8, 1986. Command was continued out of Ontario and into British Columbia on April 21, 1999. On May 1, 1999 Command was amalgamated with Pacific Video Canada Ltd. ("Pacific"), which was incorporated under the Company Act (British Columbia). Command was continued out of British Columbia into Ontario on June 24, 1999. Command was amalgamated with its wholly-owned subsidiary, Tegra Industries Inc., under the OBCA on August 1, 1999.

2. The head office of Command is located in Toronto, Ontario.

3. Command is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares in series, of which 509,551 are designated Series 1 preference shares. Command also has a stock option plan whereby options may be issued to employees and eligible officers at the discretion of the Board of Directors up to a maximum number of 1,675,980 common shares.

4. As at December 21, 2001, 19,742,804 common shares and 367,249 Series 1 preference shares were issued and outstanding. In addition, options to purchase 1,104,400 common shares are issued and outstanding.

5. Command has been a reporting issuer in British Columbia since May 1, 1999, and Pacific, the predecessor of Command, was a reporting issuer under the Securities Act (British Columbia)("BC Act") prior to May 1, 1999. Command became a reporting issuer under the Securities Act (Alberta)("Alberta Act") on November 26, 1999 as a result of the merger of the Vancouver Stock Exchange ("VSE") and the Alberta Stock Exchange to form the Canadian Venture Exchange ("CDNX"). Command is not in default of any requirements of the BC Act or the Alberta Act.

6. The common shares of Command are listed on the CDNX and Command is in compliance with all of the requirements of the CDNX.

7. Command has a significant connection to Ontario in that: (i) the head office of the corporation is located in Toronto; and (ii) Command has a number of shareholders resident in Ontario.

8. Command is not a reporting issuer in Ontario, and is not a reporting issuer, or equivalent, in any jurisdiction other than British Columbia and Alberta.

9. The continuous disclosure requirements of the BC Act and the Alberta Act are substantially the same as the requirements under the Act.

10. The continuous disclosure materials filed by Command are available on the System for Electronic Document Analysis and Retrieval.

11. There have been no penalties or sanctions imposed against Command by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, and Command has not entered into any settlement agreement with any Canadian securities regulatory authority.

12. Neither Command nor any of its directors, officers nor, to the knowledge of Command, its directors and officers, any of its controlling shareholders, have: (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 likely be considered important to a reasonable investor making an investment decision.

13. Neither Command nor any of its directors, officers nor, to the knowledge of Command, its directors and officers, any of its controlling shareholders, are nor have been subject to: (i) any known ongoing or concluded investigations by: (a) a Canadian securities regulatory authority, or (b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the proceeding 10 years.

14. None of the directors or officers of Command, nor to the knowledge of Command, its directors and officers, any of its controlling shareholders, are or have been subject to: (i) any cease trade or similar orders, or orders that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the proceeding 10 years; or (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the proceeding 10 years.

**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 Command is deemed to be a reporting issuer for the purposes of the Act.

May 31, 2002.

"Margo Paul"

### 2.2.5 Inlet Resources Ltd. - 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 British Columbia since 1966 and in Alberta since 1999 – Issuer's securities listed and posted for trading on the TSX Venture Exchange – Continuous Disclosure requirements of British Columbia and Alberta substantially identical to those of Ontario.

**Statutes Cited**

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 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**
**INLET RESOURCES LTD.**

**ORDER**
**(Subsection 83.1(1) of the Act)**

**UPON** the application of Inlet Resources Ltd. ("Inlet") for an order pursuant to subsection 83.1(1) of the Act deeming Inlet 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 Ontario Securities Commission (the "Commission");

**AND UPON** Inlet having represented to the Commission as follows:

1. Inlet was incorporated as a special limited company in British Columbia on February 20, 1961 (Incorporation No. 49826) under the name Copper Soo Mining Company Limited (Non-Personal Liability) by Memorandum and Articles filed with the Registrar of Companies for British Columbia.

2. On February 19, 1964, Inlet increased its authorized capital from 3,000,000 to 5,000,000 shares without par value.

3. On July 22, 1969, Inlet converted from a non-personal liability company to a limited company, changed its name to Beaumont Resources Limited and consolidated its share capital on the basis of one new share for five old shares.

4. On July 23, 1973, Inlet changed its name from Beaumont Resources Limited to Consolidated Beaumont Resources Ltd. and consolidated its share capital on the basis of one new share for five old shares.

5. On August 24, 1974, Inlet increased its authorized capital to 6,000,000 shares without par value.

6. On November 22, 1978, Inlet changed its name from Consolidated Beaumont Resources Ltd. to Conbeau Resources Ltd. and consolidated its share capital on the basis of one new share for three old shares.

7. On December 3, 1984, Inlet changed its name from Conbeau Resources Ltd. to Inlet Resources Ltd. and increased its authorized share capital from 6,000,000 to 20,000,000 shares without par value.

8. On May 1, 1996, Inlet increased its authorized share capital from 20,000,000 to 100,000,000 shares without par value.

9. Inlet has been a reporting issuer under the *Securities Act* (British Columbia) (the "BC Act") since February 7, 1966, and became a reporting issuer under the *Securities Act* (Alberta) (the "Alberta 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 (now known as the TSX Venture Exchange).

10. Inlet is not in default of any of the requirements of the BC Act or the Alberta Act.

11. Inlet is not a reporting issuer in Ontario or in any other jurisdiction, other than British Columbia and Alberta.

12. The authorized capital stock of Inlet consists of 100,000,000 common shares without par value.

13. As at October 1, 2001, 32,741,937 common shares and 3,180,000 options to purchase common shares of Inlet were outstanding. As at August 29, 2001, 9,243,477 common shares representing approximately 35% of Inlet's outstanding common shares as at that date were held by residents in Ontario.

14. The common shares of Inlet are listed on the TSX Venture Exchange and Inlet is in compliance with all requirements of the TSX Venture Exchange, other than Inlet is presently deemed an "inactive issuer".

15. The TSX Venture Exchange requires all of its listed issuers, which are not otherwise reporting issuers in Ontario, to assess whether they have a significant connection to Ontario, as defined in Policy 1.1 of the TSX Venture Exchange Corporate Finance Manual, and, upon first becoming aware that it has a significant connection to Ontario, to promptly make a *bona fide* application to the Commission to be deemed a reporting issuer in Ontario.

16. The continuous disclosure requirements of the BC Act and the Alberta Act are substantially the same as the requirements under the Act.

17. The continuous disclosure materials filed by Inlet under the BC Act and the Alberta Act are available on the System for Electronic Document Analysis and Retrieval.

18. Inlet is not a capital pool company as defined in the policies of the TSX Venture Exchange.

19. Neither any officer or director of Inlet, nor, to the knowledge of Inlet, its officers and directors, any shareholder of Inlet holding sufficient securities of Inlet to affect materially the control of Inlet, 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 or entered into a settlement agreement with a Canadian securities regulatory authority; or

    (ii) 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.

20. None of Inlet, any officer or director of Inlet, nor, to the knowledge of Inlet, its officers and directors, any shareholder of Inlet holding sufficient securities of Inlet to affect materially the control of Inlet, has been subject to:

    (i) any known ongoing or concluded investigations by: (a) a Canadian securities regulatory authority; or (b) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or

    (ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver manager or trustee, within the preceding ten years.

21. No other reporting issuer, or equivalent, of which any director or officer of Inlet or, to the knowledge of Inlet, its officers and directors, a shareholder holding sufficient securities of Inlet to affect materially the control of Inlet, was a director or officer of at the time of such event have been the subject of:

    (i) any cease trade or similar orders, or orders that denied access to any

exemptions under Ontario securities law, for a period of more than thirty consecutive days, within the preceding ten years; and

(ii) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or been the subject of the appointment of a receiver, receiver-manager or trustee, within the preceding ten years.

22. Inlet seeks to become a reporting issuer in Ontario because it has a significant connection to Ontario as approximately 35% of Inlet's common shares are beneficially held by residents of Ontario.

**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 Inlet is deemed to be a reporting issuer for the purposes of Ontario securities law.

June 3, 2002.

"Margo Paul"

### 2.2.6 Livent Inc. et al.

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

**AND**

**IN THE MATTER OF**
**LIVENT INC.,**
**GARTH H. DRABINSKY, MYRON I. GOTTLIEB,**
**GORDON ECKSTEIN AND ROBERT TOPOL**

**ORDER**

**WHEREAS** on July 3, 2001 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990 c.S.5, as amended (the "Act") in respect of Livent Inc. ("Livent"), Garth H. Drabinsky ("Drabinsky"), Myron I. Gottlieb ("Gottlieb"), Gordon Eckstein ("Eckstein") and Robert Topol ("Topol");

**AND WHEREAS** Staff of the Commission and Drabinsky, Gottlieb, Eckstein and Topol (the "Individual Respondents") request an adjournment of this proceeding to October 4, 2002 at 9:30 a.m., or such other date as may be agreed to by the parties and fixed by the Secretary to the Commission.

**AND WHEREAS** the Individual Respondents have each given an undertaking to the Director of Enforcement of the Commission, pending the conclusion of the proceedings commenced by the Notice of Hearing dated July 3, 2001, as more particularly described in the Order of the Commission made on February 22, 2002;

**AND WHEREAS** counsel for Livent Inc. consents to this request for an adjournment.

**IT IS ORDERED THAT** the hearing is adjourned to October 4, 2002 at 9:30 a.m., or such other date as may be agreed to by the parties and fixed by the Secretary to the Commission.

June 10, 2002.

"Howard Wetston"

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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 Lapse/Expire |
|---|---|---|---|---|
| ADI Technologies Inc. | 04 June 02 | 14 June 02 | | |
| Biomax Technologies Inc. | 04 June 02 | 14 June 02 | | |
| Brainium Technologies Inc. | 04 June 02 | 14 June 02 | | |
| Eden Roc Mineral Corp. | 28 May 02 | 07 June 02 | 11 June 02 | |
| Hanoun Medical Inc. | 07 June 02 | 19 June 02 | | |
| Jetcom Inc. | 27 May 02 | 07 June 02 | | 10 June 02 |
| Lyndex Explorations Ltd. | 05 June 02 | 17 June 02 | | |
| Melanesian Minerals Corporation | 27 May 02 | 07 June 02 | 07 June 02 | |
| Nova Bancorp 1999 Oil & Gas Strategic Ltd. Partn | 05 June 02 | 17 June 02 | | |
| Naftex Energy Corporation | 10 June 02 | 21 June 02 | | |
| Ntex Incorporated | 31 May 02 | 12 June 02 | 12 June 02 | |
| Prairie Capital Inc. | 30 May 02 | 11 June 02 | | |
| Resorts Unlimited Management Inc. | 04 June 02 | 14 June 02 | | |
| Triarx Gold Corporation (amended) | 24 May 02 | 06 June 02 | 06 June 02 | |
| Wysdom Inc. | 05 June 02 | 17 June 02 | | |
| Zamora Gold Corp. | 27 May 02 | 07 June 02 | 07 June 02 | |

### 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 |
|---|---|---|---|---|---|
| DiamondWorks Ltd. (amended) | 25 April 02 | 08 May 02 | 09 May 02 | 10 June 02 | |
| GenSci Regeneration Sciences Inc. | 28 May 02 | 10 June 02 | 10 June 02 | | |
| Goldpark China Limited | 24 May 02 | 06 June 02 | 06 June 02 | | |
| Greentree Gas & Oil Ltd. | 24 May 02 | 06 June 02 | 06 June 02 | | |
| Intelligent Web Technologies Inc. (formerly cs-live.com inc.) | 28 May 02 | 10 June 02 | 10 June02 | | |
| Merchant Capital Group Incorporated | 23 May 02 | 05 June 02 | 05 June 02 | | |
| Petrolex Energy Corporation | 28 May 02 | 10 June 02 | 10 June 02 | | |
| SmartSales Inc. | 28 May 02 | 10 June 02 | 11 June 02 | | |
| Visa Gold Explorations Inc. | 28 May 02 | 10 June 02 | 10 June 02 | | |
| Vision SCMS Inc. | 23 May 02 | 05 June 02 | 05 June 02 | | |

# Chapter 5

# Rules and Policies

### 5.1.1 National Instrument 54-101, Communication with Beneficial Owners of Securities of a Reporting Issuer

**NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**

**TABLE OF CONTENTS**

**NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**

## PART 1 DEFINITIONS AND INTERPRETATION

**1.1 Definitions -** In this Instrument

"affairs" means the relationship among a reporting issuer, its affiliates, and their securityholders, partners, directors and officers, other than the business carried on by the reporting issuer;

"annual report" means an annual report of a reporting issuer that includes the audited annual financial statements of the reporting issuer, and any other document required by Canadian securities legislation to be included in or sent with an annual report;

"beneficial owner" means, for a security held by an intermediary in an account, the person or company that is identified as providing the instructions contained in a client response form or, if no instructions are provided, the person or company that has the authority to provide those instructions;

"beneficial ownership determination date" means, for a meeting,

(a) the record date for voting, or

(b) in the absence of a record date for voting, the record date for notice;

"business day" means a day other than a Saturday, Sunday or statutory holiday in the local jurisdiction;

"CDS" means the Canadian Depository for Securities Limited and any successor to its depository business;

"client" means a person or company on whose behalf an intermediary directly holds a security;

"client response form" means the form of response set out in Form 54-101F1;

"corporate law" means, for a reporting issuer, any legislation, constating instrument or agreement that governs the affairs of the reporting issuer;

"day" means a calendar day unless express reference is made to a business day;

"depository" means CDS and any other person or company recognized as a depository by the securities regulatory authority for the purpose of this Instrument;

"explanation to clients" means an explanation to clients set out in the form of Form 54-101F1;

"FINS" means Financial Institution Numbering System;

"intermediary" means, for a security, a person or company that, in connection with its business, holds the security on behalf of another person or company, and that is not

(a) a person or company that holds the security only as a custodian, and is not the registered securityholder of the security nor holding the security as a participant in a depository,

(b) a depository, or

(c) a beneficial owner of the security;

"intermediary master list" means a list of intermediaries that a depository maintains under section 5.1;

"intermediary search request" means the request referred to in section 2.3;

"legal proxy" means a voting power of attorney, in the form of Form 54-101F8, granted to a beneficial owner by either an intermediary or a reporting issuer under a written request of the beneficial owner;

"meeting" means a meeting of securityholders of a reporting issuer;

"NOBO" means a non-objecting beneficial owner;

"NOBO list" means a non-objecting beneficial owner list;

"nominee" means a person or company that acts as a passive title-holder to hold securities and does not carry on business in its own right;

"non-objecting beneficial owner" means a beneficial owner of securities that

(a) has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under this Instrument, or

(b) is a non-objecting beneficial owner under subparagraph (i) or (ii) of paragraph 3.3(b);

"non-objecting beneficial owner list" means, for an intermediary, a list that includes ownership information concerning NOBOs on whose behalf the intermediary, or another intermediary holding directly or indirectly through the intermediary, holds securities and information regarding instructions from those NOBOs concerning receipt of securityholder materials and

(a) if prepared in non-electronic form, is in a clear and readable format and contains the information referred to in paragraph (b), or

(b) if prepared in electronic form, is prepared in the form of, and contains the information prescribed in, Form 54-101F5;

"notification of meeting and record dates" means the notification referred to in section 2.2;

"NP41" means National Policy Statement No. 41;

"objecting beneficial owner" means a beneficial owner of securities that

(a) has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under this Instrument, or

(b) is an objecting beneficial owner under subparagraph (iii) of paragraph 3.3(b);

"OBO" means an objecting beneficial owner;

"omnibus proxy" means, for a meeting,

(a) for a depository, a proxy in the form of Form 54-101F3, and

(b) for an intermediary, a proxy in the form of Form 54-101F4;

"ownership information" means, for a beneficial owner of securities that holds the securities through an intermediary in an account of the intermediary, the beneficial owner's name, address, holdings of the securities in the account, preferred language of communication, if known, the electronic mail address of the beneficial owner, and whether the beneficial owner has given to the intermediary a currently valid consent to the electronic delivery of documents from the intermediary;

"participant in a depository" means a person or company for whom a depository maintains an account in which entries may be made to effect a transfer or pledge of a security;

"preferred language of communication" means either the English language or the French language;

"proximate intermediary" means, for a security,

(a) a participant in a depository holding the security, or

(b) an intermediary that is the registered holder of the security;

"proxy-related materials" means securityholder material relating to a meeting that the reporting issuer is required under corporate law or securities legislation to send to the registered holders of the securities;

"record date for notice" means, for a meeting, the date established in accordance with corporate law for the determination of the registered holders of securities that are entitled to receive notice of the meeting;

"record date for voting" means, for a meeting, the date, if any, established in accordance with corporate law for the determination of the registered holders of securities that are entitled to vote at the meeting;

"registered holder" means, for a security, the person or company shown as the holder of the security on the books or records of the reporting issuer;

"request for beneficial ownership information" means, for a security, a request for beneficial ownership information in the form of Form 54-101F2 sent by a reporting issuer to a proximate intermediary holding the security;

"request for voting instructions" means, for a security that carries the right to vote at a meeting,

(a) if the request is made by the reporting issuer, a request for voting instructions from a beneficial owner of the security that is a NOBO, set out in the form of Form 54-101F6, and

(b) if the request is made by an intermediary, a request for voting instructions from the beneficial owner of the security on whose behalf the intermediary holds the security set out in the form of Form 54-101F7;

"routine business" means, for a meeting,

(a) consideration of the minutes of an earlier meeting,

(b) consideration of the financial statements of the reporting issuer or an auditor's report on the financial statements of the reporting issuer,

(c) election of directors of the reporting issuer,

(d) setting or changing of the number of directors to be elected within a range permitted by corporate law, if no change to the constating documents of the reporting issuer is required in connection with that action, or

(e) reappointment of an incumbent auditor of the reporting issuer;

"security" means a security of a reporting issuer;

"securityholder" means, for a security, the registered holder of the security, the beneficial owner of the security, or both, depending upon the context;

"securityholder materials" means, for a reporting issuer, materials that are sent to registered holders of securities of the reporting issuer;

"send" means to deliver, send or forward or arrange to deliver, send or forward in any manner, including by prepaid mail, courier or by electronic means; and

"transfer agent" means a person or company that carries on the business of a transfer agent.

**1.2 Holding of Security by Intermediary -** In this Instrument, an intermediary is considered to hold a security if the security is held

(a) by the intermediary directly; or

(b) by the intermediary indirectly through another person or company on behalf of the intermediary.

**1.3 Use of Required Forms**

(1) A person or company required to send or use a required form under this Instrument may substitute another form or document or combine the required form with another form or document, so long as the form or document used requests or includes the same information contemplated by the required form.

(2) Subsection (1) does not apply to a NOBO list in the form of Form 54-101F5 unless both the party requesting and the party providing the NOBO list agree to an alternative form.

**1.4 Fees -** A fee payable under this Instrument shall be, unless prescribed by the regulator or securities regulatory authority, a reasonable amount.

**PART 2 REPORTING ISSUERS**

**2.1 Establishment of Meeting and Record Dates -** A reporting issuer that is required to give notice of a meeting to the registered holders of any of its securities shall fix

(a) a date for the meeting;

(b) a record date for notice of the meeting, which shall be no fewer than 30 and no more than 60 days before the meeting date; and

(c) if required or permitted by corporate law, a record date for voting at the meeting.

**2.2 Notification of Meeting and Record Dates**

(1) Subject to section 2.20, at least 25 days before the record date for notice of a meeting, the reporting issuer shall send a notification of meeting and record dates

(a) all depositories;

(b) the securities regulatory authority; and

(c) each exchange in Canada on which securities of the reporting issuer are listed.

(2) The notification of meeting and record dates referred to in subsection (1) shall specify

(a) the name of the reporting issuer;

(b) the date fixed for the meeting;

(c) the record date for notice;

(d) the record date for voting, if any;

(e) the beneficial ownership determination date;

(f) the classes or series of securities that entitle the holder to receive notice of the meeting;

(g) the classes or series of securities that entitle the holder to vote at the meeting; and

(h) whether only routine business is to be conducted at the meeting.

**2.3 Intermediary Search Request - Request to Depository**

(1) At the same time as a reporting issuer sends a notification of meeting and record dates for a meeting to a depository, the reporting issuer shall request the depository to send to the reporting issuer

(a) subject to section 2.4, a report that specifies the number of securities of the reporting issuer of each class or series that entitle the holder to receive notice of the meeting or to vote at the meeting that are currently registered in the name of the depository, the identity of any other person or company that holds securities of the reporting issuer of the series or class specified in the request on behalf of the depository and the number of those securities held by that other person or company;

(b) subject to section 2.4, a list of all intermediaries and their nominees shown on the intermediary master list;

(c) subject to section 2.4, a list setting out the names, addresses, telephone numbers, fax numbers, any electronic mail addresses and the respective holdings of participants in the depository of each class or series of securities that entitle the holder to receive notice of the meeting or to vote at the meeting; and

(d) the omnibus proxy required to be sent under subsection 5.4(1).

(2) In addition to the request referred to in subsection (1), a reporting issuer may request, at any time, a depository to send any or all of the information referred to in subsection (1), other than paragraph (1)(d), for any class or series of securities of the reporting issuer, and as of a date, specified in the request.

**2.4 No Intermediary Search Request if Reporting Issuer has Electronic Access -** A reporting issuer shall not request from the depository information referred to in paragraph 2.3(1)(a), 2.3(1)(b) or 2.3(1)(c) if the information is included on a file maintained by the depository in electronic format and the reporting issuer has access to the file.

**2.5 Request for Beneficial Ownership Information**

(1) Subject to section 2.20, at least 20 days before the record date for notice of a meeting, the reporting issuer, using information, including the intermediary master lists, provided by depositories under section 5.3 or referred to in section 2.4, shall complete Part 1 of a request for beneficial ownership information and send it to each proximate intermediary that is

(a) identified by a depository as a participant in the depository holding securities that entitle the holder to receive notice of the meeting or to vote at the meeting; or

(b) listed as an intermediary on the intermediary master list provided by a depository where the intermediary, or a nominee of the intermediary that is identified on the intermediary master list, is a registered holder of securities that entitle the holder to receive notice of the meeting or to vote at the meeting.

(2) In addition to making the request referred to in subsection (1) in connection with a meeting, a reporting issuer, using information, including the intermediary master lists, provided by depositories under section 5.3 or referred to in section 2.4, may make, for any class or series of securities of the reporting issuer, at any time, a request for beneficial ownership information by completing Part 1 of a request for beneficial ownership information and sending it to any proximate intermediary that is

(a) identified by a depository as a participant in the depository holding the securities; or

(b) listed as an intermediary on the intermediary master list provided by a depository where the intermediary, or a nominee of the intermediary that is identified on the intermediary master list, is a registered holder of the securities.

(3) A reporting issuer that makes a request for beneficial ownership information under either subsection (1) or subsection (2) that includes a request for NOBO lists shall provide a written undertaking to the proximate intermediary in the form of Form 54-101F9.

(4) A reporting issuer that requests beneficial ownership information under this section shall do so through a transfer agent.

**2.6 No Depositories or Intermediaries are Registered Holders** - A reporting issuer is not subject to section 2.3 or 2.5 if, on the 25th day before the record date for notice of the meeting,

(a) none of the registered holders of its securities is a depository, a nominee of a depository, or a person or company listed as an intermediary or the nominee of an intermediary on the intermediary master list of any depository; or

(b) all of the information contemplated in Part 2 of the request for beneficial ownership information is known to the reporting issuer.

**2.7 Sending Proxy-Related Materials to Beneficial Owners -** A reporting issuer that is required by Canadian securities legislation to send proxy-related materials to the registered holders of any class or series of its securities shall, subject to section 2.10 and subsection 2.12(3) send the proxy-related materials to beneficial owners of the securities, by either sending

(a) directly to NOBOs, and indirectly under section 2.12 to OBOs; or

(b) indirectly under section 2.12 to beneficial owners.

**2.8 Other Securityholder Materials -** A reporting issuer may, but is not required to, send securityholder materials other than proxy-related materials to beneficial owners of its securities, by either sending

(a) directly to NOBOs, and indirectly under section 2.12 to OBOs; or

(b) indirectly under section 2.12 to beneficial owners.

**2.9 Direct Sending of Proxy-Related Materials to NOBOs by Reporting Issuer -** A reporting issuer that has stated in its request for beneficial ownership information sent in connection with a meeting that it will send proxy-related materials to, and seek voting instructions from, NOBOs shall, subject to section 2.10 and subsection 2.12(3), send, at its expense, at least 21 days before the date fixed for the meeting, the proxy-related materials for the meeting directly to the NOBOs on the NOBO lists received in response to the request.

**2.10 Sending Securityholder Materials Against Instructions -** Except as required by securities legislation, no reporting issuer that uses a NOBO list to send securityholder materials directly to NOBOs on the NOBO list shall send the securityholder materials to NOBOs that are identified on the NOBO list as having declined to receive those materials unless the reporting issuer has specified in the request for beneficial ownership information sent under section 2.5 in connection with the sending of materials that the securityholder materials will be sent to all beneficial owners of securities.

**2.11 Disclose How Information Obtained**

(1) A reporting issuer that uses a NOBO list to send securityholder materials directly to NOBOs on the NOBO list shall include in the materials the following statement:

> *These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.*

(2) A reporting issuer that uses a NOBO list to send proxy-related materials that solicit votes or voting instructions directly to a NOBO on the NOBO list shall include, after the text required by subsection (1), the following statement:

> *By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.*

**2.12 Indirect Sending of Securityholder Materials by Reporting Issuer**

(1) A reporting issuer sending securityholder materials indirectly to beneficial owners shall send to each proximate intermediary that responded to the applicable request for beneficial ownership information the number of sets of those materials specified by that proximate intermediary

(a) at least four business days before the twenty-first day before the date fixed for the meeting, in the case of proxy-related materials that are to be sent on by the proximate intermediary by prepaid mail other than first class mail;

(b) at least three business days before the twenty-first day before the date fixed for the meeting, in the case of all other proxy-related materials that are to be sent on by the proximate intermediary; or

(c) on the day specified in the request for beneficial ownership information, in the case of securityholder materials that are not proxy-related materials that are to be sent on by the proximate intermediary.

(2) A reporting issuer may satisfy its obligation to send securityholder materials to an intermediary under this section by sending the securityholder materials to a person or company designated by the intermediary.

(3) If a proximate intermediary in a foreign jurisdiction holds securities on behalf of NOBOs and

(a) the law of the foreign jurisdiction prohibits the reporting issuer from sending securityholder materials directly to NOBOs; or

(b) the proximate intermediary has stated in response to a request for beneficial ownership information that the law in the foreign jurisdiction requires the proximate intermediary to deliver securityholder materials to beneficial owners,

the reporting issuer shall not, in either case, send securityholder materials to those NOBOs and shall send to that proximate intermediary the number of sets of securityholder materials requested by the proximate intermediary in the response.

**2.13 Fee for Search -** A reporting issuer shall pay a fee to a proximate intermediary for furnishing the information requested in a request for beneficial ownership information made by the reporting issuer.

**2.14 Fee for Sending Materials Indirectly**

(1) A reporting issuer that sends securityholder materials indirectly to NOBOs through a proximate intermediary shall pay to the proximate intermediary, upon receipt by the reporting issuer of a certificate of sending to NOBOs in accordance with the instructions specified by the reporting issuer in the request for beneficial ownership information

(a) a fee for sending the securityholder materials to the NOBOs;

(b) the actual cost of any postage incurred by the proximate intermediary in sending the securityholder materials to the NOBOs in accordance with any mailing instructions specified by the reporting issuer in the request for beneficial ownership information; and

(c) if the securityholder materials were sent by mail other than first class mail in accordance with the mailing instructions specified by the reporting issuer in the request for beneficial ownership information, the reasonable additional handling costs associated with the preparation by the proximate intermediary of the securityholder materials for mailing to NOBOs.

(2) A reporting issuer that sends securityholder materials, indirectly through a proximate intermediary, to OBOs that have declined in accordance with this Instrument to receive those materials, shall pay to the proximate intermediary, upon receipt by the reporting issuer of a certificate of sending to OBOs in accordance with the instructions specified by the reporting issuer in the request for beneficial information

(a) a fee for sending the securityholder materials to the OBOs;

(b) the actual cost of any postage incurred by the proximate intermediary in sending the securityholder materials to the OBOs in accordance with any mailing instructions specified by the reporting issuer in the request for beneficial ownership information; and

(c) if the securityholder materials were sent by mail other than first class mail in accordance with the mailing instructions specified by the reporting issuer in the request for beneficial information, the reasonable additional handling costs associated with the preparation by the proximate intermediary of the securityholder materials for mailing to OBOs.

**2.15 Adjournment or Change in Meeting** - A reporting issuer that sends a notice of adjournment or other change for a meeting to registered holders of its securities shall concurrently send the notice, including any change in the beneficial ownership determination date,

(a) to each of the persons or companies referred to in subsection 2.2(1);

(b) to each proximate intermediary to which the reporting issuer sent a request for beneficial ownership information for the meeting under subsection 2.5(1);

(c) directly, in accordance with section 2.9, other than the timing requirement of that section, to each of the NOBOs to which it previously directly sent proxy-related materials for the meeting under section 2.9; and

(d) indirectly, in accordance with section 2.12, other than the timing requirement of that section, to each of the NOBOs and OBOs to which it previously indirectly sent proxy-related materials for the meeting under section 2.12.

**2.16 Explanation of Voting Rights -** Proxy-related materials for a meeting sent to a beneficial owner of securities shall explain, in plain language, how the beneficial owner may exercise voting rights attached to the securities, including the right of the beneficial owner to attend and vote the securities directly at the meeting.

**2.17 Request for Voting Instructions -** A reporting issuer that sends proxy-related materials that solicit votes or voting instructions directly to a NOBO shall prepare and include with the proxy-related materials, in substitution for the proxy otherwise contained in the proxy-related materials, a request for voting instructions for the matters to which the proxy-related materials relate for return to the reporting issuer.

**2.18 Request for Legal Proxy -** If a reporting issuer that has sent directly to a NOBO proxy-related materials for a meeting that solicit voting instructions receives a written request from the NOBO for a legal proxy for the meeting, the reporting issuer shall arrange at no cost to the NOBO to deliver to the NOBO a legal proxy to the extent that the reporting issuer's management holds a proxy given directly by the registered holder or indirectly given by the registered holder through one or more other proxy holders in respect of the securities beneficially owned by the NOBO.

**2.19 Tabulation and Execution of Voting Instructions -** A reporting issuer shall

(a) tabulate the voting instructions received from NOBOs in response to a request for voting instructions referred to in section 2.17; and

(b) through the actions of management of the reporting issuer, execute the voting instructions as instructed by the NOBOs, to the extent that the management of the reporting issuer holds the corresponding proxy.

**2.20 Abridging Time -** A reporting issuer may abridge the time prescribed in subsections 2.2(1) or 2.5(1) if the reporting issuer

(a) arranges to have proxy-related materials for the meeting sent in compliance with this Instrument to all beneficial owners at least 21 days before the date fixed for the meeting;

(b) arranges to have carried out all of the requirements of this Instrument in addition to those described in subparagraph (a); and

(c) files at the time it files the proxy-related materials, a certificate of one of its officers reporting that it made the arrangements described in paragraphs (a) and (b) and that the reporting issuer is relying upon this section.

**PART 3 INTERMEDIARIES' OBLIGATIONS CONCERNING THE OBTAINING OF BENEFICIAL OWNER INSTRUCTIONS**

**3.1 Intermediary Information to Depository**

(1) Before a person or company acts as an intermediary, the person or company shall send the following information to each depository:

(a) the intermediary's name and address;

(b) the name and address of each nominee of the intermediary in whose name the intermediary holds securities on behalf of beneficial owners; and

(c) the name, address, telephone number, fax number and any electronic mail address of a representative of the intermediary.

(2) A person or company that is an intermediary on the date of the coming into force of this Instrument shall, on that date, send to each depository the information referred to in subsection (1), unless it has already done so.

(3) An intermediary shall send notice to each depository of a change in the information contained in a notice given under this section within five business days after the change.

**3.2 Instructions from New Clients -** Subject to section 3.4, an intermediary that opens an account for a client shall,

(a) as part of its procedures to open the account, send to the client an explanation to clients and a client response form; and

(b) before the intermediary holds securities on behalf of the client in the account

(i) obtain instructions from the client on the matters to which the client response form pertains;

(ii) obtain the electronic mail address of the client, if available; and

(iii) enquire whether the client wishes to consent and, if so, obtain the consent of the client, to electronic delivery of documents by the intermediary to the client.

**3.3 Transitional - Instructions from Existing Clients -** An intermediary that holds securities on behalf of a client in an account that was opened before the coming into force of this Instrument

(a) may seek new instructions from its client in relation to the matters to which the client response form pertains;

(b) in the absence of new instructions from the client, shall rely on the instructions previously given or deemed to have been given by the client under NP41 in respect of that account, on the following basis:

(i) If the client chose to permit the intermediary to disclose the client's name and security holdings to the issuer of the security or other sender of material, the client is a NOBO under this Instrument.

(ii) If the client was deemed to have permitted the intermediary to disclose the client's name and security holdings to the issuer of the security or other sender of material, the client is a NOBO under this Instrument until December 31, 2003.

(iii) If the client chose not to permit the intermediary to disclose the client's name and security holdings to the issuer of the security or other sender of material, the client is an OBO under this Instrument.

(iv) If the client chose not to receive material relating to annual or special meetings of securityholders or audited financial statements, or if the intermediary was permitted not to provide that material to the client, the client is considered to have declined under this Instrument to receive

(A) proxy-related materials that are sent in connection with a securityholder meeting at which only routine business is to be conducted;

(B) financial statements and annual reports that are not part of proxy-related materials; and

(C) materials sent to securityholders that are not required by corporate or securities law to be sent to registered securityholders.

(v) If the client chose to receive material relating to annual or special meetings of securityholders or audited financial statements, the client is considered to have chosen under this Instrument to receive all securityholder materials sent to beneficial owners of securities.

(vi) The client is considered to have chosen under this Instrument as the client's preferred language of communication the language that has been customarily used by the intermediary to communicate with the client; and

(c) shall obtain new instructions on the matters to which a client response form pertains from any client that is a NOBO under subparagraph (ii) of paragraph (b) in sufficient time to obtain new instructions from the client before January 1, 2004.

**3.4 Amending Client Instructions -** A client may at any time change the instructions it has given or is deemed to have given in connection with any of the choices provided for in the client response form by advising the intermediary that holds securities on the client's behalf of the change.

**3.5 Application of Instructions to Accounts -** The instructions given to an intermediary by a beneficial owner under this Part apply in respect of all securities held by the beneficial owner in the account of the intermediary identified in the client response form.

**PART 4 INTERMEDIARIES' OTHER OBLIGATIONS**

**4.1 Request for Beneficial Ownership Information - Response**

(1) A proximate intermediary that receives a request for beneficial ownership information from a reporting issuer, that pertains to a meeting, shall send to the reporting issuer, through the transfer agent of the reporting issuer that sent the request

(a) within three business days of receiving the request, the information referred to in Part 2 of the request for beneficial ownership information other than Item 7;

(b) if the request contains a request for a NOBO list, within three business days after the beneficial ownership determination date for the meeting specified in the request, the NOBO list and other information required in accordance with Item 7 of Part 2 of the request for beneficial ownership information as at the beneficial ownership determination date of the meeting; and

(c) within three business days after the beneficial ownership determination date for the meeting specified in the request, if the request stated that the reporting issuer will send proxy-related materials to, and seek voting instructions from, NOBOs, a form of omnibus proxy that appoints management of the reporting issuer as the proximate intermediary's proxy holder for the securities held, as of the beneficial ownership determination date, on behalf of each NOBO identified on the NOBO list, in respect of which the proximate intermediary is either the registered holder or proxy holder.

(2) A proximate intermediary that receives a request for beneficial ownership information from a reporting issuer that pertains to the sending of securityholder materials other than in connection with a meeting shall, within three business days of receiving the request, send to the reporting issuer, through the transfer agent of the reporting issuer that sent the request, the NOBO lists if applicable and the other information referred to in Part 2 of the request for beneficial ownership information.

(3) A proximate intermediary that receives a request for beneficial ownership information from a reporting issuer that contains a request for a NOBO list but does not pertain to a meeting or the sending of securityholder materials shall, within three business days of receiving the request, send to the reporting issuer, through the transfer agent of the reporting issuer that sent the request, the NOBO lists if applicable and the other information referred to in Part 2 of the request for beneficial ownership information.

(4) The response of a proximate intermediary to a reporting issuer given under this section shall be a consolidated response relating to all beneficial owners of each class and series of securities, specified in the request for beneficial ownership information, that hold, directly or indirectly, through the proximate intermediary.

(5) An intermediary holding securities, directly or indirectly, through a proximate intermediary, shall take all necessary steps to ensure that the proximate intermediary is provided with the information required to enable it to satisfy its obligations under this section within the times required by this section.

(6) An intermediary is not required under this Instrument to provide ownership information concerning an OBO to any person or company.

**4.2 Sending of Securityholder Materials to Beneficial Owners by Intermediaries**

(1) Subject to sections 4.3 and 4.7, a proximate intermediary that receives securityholder materials from a reporting issuer for sending to beneficial owners shall send

(a) one set of the materials to each OBO of the relevant securities that is a client of the proximate intermediary;

(b) one set of the materials to each NOBO of the relevant securities if the reporting issuer stated in the applicable request for beneficial ownership information, or otherwise advised the proximate intermediary, that the reporting issuer will send the materials to NOBOs indirectly through intermediaries; and

(c) appropriate quantities of materials to all intermediaries holding securities of the relevant class or series that are clients of the proximate intermediary, for sending by them under subsection (3).

(2) A proximate intermediary shall comply with subsection (1)

(a) within four business days after receipt in the case of securityholder materials to be sent by prepaid mail other than first class mail; and

(b) within three business days after receipt in the case of securityholder materials to be sent by any other means.

(3) An intermediary that receives securityholder materials from another intermediary under this section shall send, within one business day of receipt

(a) one set of the materials to each OBO that is a client of the intermediary; and

(b) appropriate quantities of the materials to all intermediaries holding securities of the relevant class or series that are clients of the intermediary for sending by them under this subsection.

(4) The persons or companies to whom securityholder materials are sent under this section shall be determined

(a) as at the beneficial ownership determination date, in the case of proxy-related materials; and

(b) as at the date specified in the relevant request for beneficial ownership information, in the case of securityholder materials not sent in connection with a meeting.

(5) An intermediary may satisfy its obligation to send securityholder materials to another intermediary under this section by sending the securityholder materials to a person or company designated by the other intermediary.

**4.3 Sending Securityholder Materials Against Instructions -** An intermediary that receives securityholder materials that are to be sent to a beneficial owner of securities shall not send the securityholder materials to the beneficial owner if the beneficial owner has declined in accordance with this Instrument to receive those materials unless the reporting issuer has specified in the request for beneficial ownership information sent under section 2.5 in connection with the sending of the securityholder materials that the securityholder materials shall be sent to all beneficial owners of securities.

**4.4 Request for Voting Instructions -** An intermediary that receives proxy-related materials that solicit votes or voting instructions from securityholders, for sending by the intermediary to beneficial owners of the securities, shall prepare and include with the proxy-related materials that it sends to the beneficial owners, in substitution for the proxy otherwise contained in the proxy-related materials, a request for voting instructions for the matters to which the proxy-related materials relate for return to the intermediary.

**4.5 Request for Legal Proxy -** An intermediary that receives a written request from a beneficial owner for a legal proxy for securities the intermediary holds on behalf of the beneficial owner as at the beneficial ownership determination date for a meeting shall send to the beneficial owner a legal proxy to the extent that the intermediary then holds a proxy directly given by the registered holder, or indirectly given by the registered holder through one or more other proxy holders, in connection with the securities held by the intermediary for the beneficial owner.

**4.6 Tabulation and Execution of Voting Instructions -** An intermediary shall

(a) tabulate voting instructions received from beneficial owners of securities in response to a request for voting instructions sent by the intermediary under section 4.4; and

(b) for each beneficial owner, execute the voting instructions received from the beneficial owner to the extent that the intermediary holds a proxy directly given by the registered holder, or indirectly given by the registered holder through one or more other proxy holders, in respect of the securities held by the intermediary for the beneficial owner.

**4.7 Securities Legislation -** Despite any other provision of this Part, nothing in this Part requires a person or company to send securityholder materials to a beneficial owner if securities legislation specifically permits the person or company to decline to send those materials to the beneficial owner.

## PART 5 DEPOSITORIES

**5.1 Intermediary Master List -** A depository shall maintain a current list of intermediaries containing the information received by the depository from intermediaries under section 3.1 and shall send a copy of that list to any new depository recognized under this Instrument.

**5.2 Index of Meeting and Record Dates**

(1) A depository shall maintain an index of pending meetings containing the information that it receives from reporting issuers under section 2.2.

(2) A depository shall arrange for the timely publication of the information it receives from a reporting issuer under section 2.2 in the national financial press and may charge the reporting issuer a publication fee in a reasonable amount for the publication.

**5.3 Depository Response to Intermediary Search Request by Reporting Issuer -** Within two business days of its receipt of an intermediary search request from a reporting issuer, a depository shall send to the reporting issuer a report, containing information that is as current as possible, that

(a) specifies the number of securities of the reporting issuer of the series or class specified in the request that are registered in the name of the depository, the identity of any other person or company that holds on behalf of the depository securities of the reporting issuer of the series or class specified in the request and the number of such securities held by that other person or company;

(b) specifies the names, addresses, telephone numbers, fax numbers, any electronic mail addresses and respective holdings of participants in the depository of securities of the series or class specified in the request, on whose behalf the depository holds the securities; and

(c) contains a copy of the intermediary master list.

**5.4 Depository to send Participant Omnibus Proxy to Reporting Issuer**

(1) Within two business days after the beneficial ownership determination date specified in the notification of meeting and record dates referred to in section 2.2, the depository shall send to the reporting issuer an omnibus proxy, appointing each participant, on whose behalf, and to the extent that, the depository holds, as of the beneficial ownership determination date, securities that entitle the holder to vote at the meeting, as the depository's proxy holder in respect of the securities held by the depository on behalf of the participant.

(2) The depository shall send to each of the participants named in an omnibus proxy referred to in subsection (1), at the same time as the depository sends the omnibus proxy to the reporting issuer, confirmation of the proxy given by the depository.

**PART 6 OTHER PERSONS OR COMPANIES**

**6.1 Requests for NOBO Lists from a Reporting Issuer**

(1) A person or company may request from a reporting issuer the most recently prepared NOBO list, for any proximate intermediary holding securities of the reporting issuer, that is in the reporting issuer's possession.

(2) A request for a NOBO list under this section shall be accompanied by an undertaking in the form of Form 54-101F9 of the person or company making the request.

(3) The person or company making a request under subsection (1) shall pay a fee to the reporting issuer for preparing the NOBO list for sending under this section.

(4) A reporting issuer shall send any NOBO list requested under this section, within ten days of receipt of both the request and the fee for preparing the list for sending under this section.

(5) A reporting issuer shall delete from any NOBO list sent under this section any reference to FINS numbers referred to in any form and any other information that would identify the intermediary through which a NOBO holds securities.

**6.2 Other Rights and Obligations of Persons and Companies other than Reporting Issuers**

(1) A person or company may take any action permitted under this Instrument to be taken by a reporting issuer and, in so doing, has all the rights, and is subject to all of the obligations, of a reporting issuer in connection with that action.

(2) In connection with actions taken under subsection (1) by a person or company other than the reporting issuer, references in this Instrument to a "reporting issuer" shall be read as references to that person or company and all other persons and companies will have the same obligations under this Instrument to that person or company as they would have if the person or company were the reporting issuer.

(3) Subsections (1) and (2) do not apply to sections 2.1, 2.2, subsections 2.3(1) and 2.5(1), section 2.18, paragraph 4.1(1)(c), section 5.4 .

(4) A person or company other than the reporting issuer to which the request relates that makes an intermediary search request under subsection 2.3(2) or a request for beneficial ownership information under subsection 2.5(2) shall concurrently send a copy of that request to the reporting issuer of the securities to which the request relates.

(5) A person or company other than the reporting issuer to which the request relates that makes an intermediary search request under subsection 2.3(2) or a request for beneficial ownership information under subsection 2.5(2) shall provide an undertaking in the form of Form 54-101F9.

**PART 7 USE OF NOBO LIST**

**7.1 Use of NOBO List -** No reporting issuer or other person or company shall use a NOBO list or a report prepared under section 5.3 relating to the reporting issuer and obtained under this Instrument, except in connection with

(a) sending securityholder materials to NOBOs in accordance with this Instrument;

(b) an effort to influence the voting of securityholders of the reporting issuer;

(c) an offer to acquire securities of the reporting issuer; or

(d) any other matter relating to the affairs of the reporting issuer.

**PART 8 MISCELLANEOUS**

**8.1 Default of Party in Communication Chain -** If a person or company fails to send information or materials in accordance with the requirements of this Instrument, the person or company whose required response or action under this Instrument is dependent upon receiving the information or materials shall use reasonable efforts to obtain the information or materials from the other person or company, and in so doing is exempt from the timing provisions of this Instrument in connection with the response or action to the extent that the delay arose from the failure of the other person or company.

**8.2 Right to Proxy -** Nothing in this Instrument shall be interpreted to restrict in any way

(a) a beneficial owner's right to demand and to receive from an intermediary holding securities on behalf of the beneficial owner a proxy enabling the beneficial owner to vote the securities; or

(b) the right of a depository or intermediary to vary an omnibus proxy in respect of securities to properly reflect a change in the registered or beneficial ownership of the securities.

**PART 9 EXCEPTIONS AND EXEMPTIONS**

**9.1 Audited Annual Financial Statements or Annual Report -** The time periods applicable to sending of proxy-related materials prescribed in this Instrument do not apply to the sending of proxy-related materials that are annual financial statements or an annual report if the statements or report are sent directly or indirectly in accordance with the Instrument to beneficial owners of the securities within the time limitations established in applicable corporate law and securities legislation for the sending of the statements or report to registered holders of the securities.

**9.2 Exemptions**

(1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario only the regulator may grant such an exemption.

**PART 10 EFFECTIVE DATES AND TRANSITION**

**10.1 Effective Date of Instrument -** This Instrument comes into force on July 1, 2002.

**10.2 Transition** - A reporting issuer that has filed a notice of a meeting and record date with the securities regulatory authority in accordance with the provisions of NP41 before the coming into force of this Instrument is, with respect to that meeting, exempt from the provisions of this Instrument if the reporting issuer complies with the provisions of NP41.

**10.3** **Sending of Proxy-Related Materials -** Despite section 2.7, a reporting issuer sending proxy-related materials to beneficial owners of securities under section 2.7 for a meeting to be held before September 1, 2004 shall send those materials only indirectly to the beneficial owners under section 2.12.

**10.4** **NOBO Lists -** No person or company shall be obliged to furnish a NOBO list under this Instrument before September 1, 2002.

**NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**
**FORM 54-101F1**
**EXPLANATION TO CLIENTS AND CLIENT RESPONSE FORM**

**Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.**
**The use of this Form is referenced in sections 1.1, 3.2, 3.3, 3.4 and 3.5 of National Instrument 54-101.**

**EXPLANATION TO CLIENTS**

**[Letterhead of Intermediary]**

Based on your instructions, the securities in your account with us are not registered in your name but in our name or the name of another person or company holding your securities on our behalf. The issuers of the securities in your account may not know the identity of the beneficial owner of these securities.

We are required under securities law to obtain your instructions concerning various matters relating to your holding of securities in your account.

**Disclosure of Beneficial Ownership Information**

Securities law permits reporting issuers and other persons and companies to send materials related to the affairs of the reporting issuer directly to beneficial owners of the reporting issuer's securities if the beneficial owner does not object to having information about it disclosed to the reporting issuer or other persons and companies. Part 1 of the client response form allows you to tell us if you **OBJECT** to the disclosure by us to the reporting issuer or other persons or companies of your beneficial ownership information, consisting of your name, address, electronic mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of your beneficial ownership information to matters relating to the affairs of the reporting issuer.

If you **DO NOT OBJECT** to the disclosure of your beneficial ownership information, please mark the second box on Part 1 of the form. In those circumstances, you will not be charged with any costs associated with sending securityholder materials to you.

If you **OBJECT** to the disclosure of your beneficial ownership information by us, please mark the first box in Part 1 of the form. If you do this, all materials to be delivered to you as a beneficial owner of securities will be delivered by us. *[**Instruction**: Disclose particulars of any fees or charges that the intermediary may require an objecting beneficial owner to pay in connection with the sending of securityholder materials.]*

**Receiving Securityholder Materials**

For securities that you hold through your account, you have the right to receive proxy-related materials sent by reporting issuers to registered holders of their securities in connection with meetings of such securityholders. Among other things, this permits you to receive the necessary information to allow you to have your securities voted in accordance with your instructions at a securityholder meeting. [***Optional**: Revise this paragraph, if appropriate, to state that objecting beneficial owners will not receive materials unless they or the relevant issuers bear the costs.*]

In addition, reporting issuers may choose to send other securityholder materials to beneficial owners, although they are not obliged to do so.

Securities law permits you to decline to receive three types of securityholder materials. Securities law does not provide for you to decline to receive other types of securityholder materials. The three types of material that you may decline to receive are:

(a) proxy-related materials, including annual reports and financial statements, that are sent in connection with a securityholder meeting at which only "routine business"[1] is to be conducted;

(b) annual reports and financial statements that are not part of proxy-related materials; and

[1] "Routine business" means:
(i) consideration of the minutes of an earlier meeting;
(ii) consideration of financial statements of the reporting issuer or an auditors' report on the financial statements of the reporting issuer;
(iii) election of directors of the reporting issuer;
(iv) the setting or changing of the number of directors to be elected within a range permitted by corporate law if no change to the constating documents of the reporting issuer is required in connection with that action; or
(v) reappointment of an incumbent auditor of the reporting issuer.

(c) materials that a reporting issuer or other person or company sends to securityholders that are not required by corporate or securities law to be sent to registered securityholders.

Part 2 of the client response form allows you to receive all materials sent to beneficial owners of securities or to decline to receive the three types of materials referred to above.

If you want to receive **ALL** materials that are sent to beneficial owners of securities, please mark the first box on Part 2 of the enclosed client response form. If you want to **DECLINE** to receive the three types of materials referred to above, please mark the second box in Part 2 of the form.

*(**Note**: Even if you decline to receive the three types of materials referred to above, a reporting issuer or other person or company is entitled to deliver these materials to you, provided that the reporting issuer or other person or company pays all costs associated with the sending of these materials. These materials would be delivered to you through your intermediary if you have objected to the disclosure of your beneficial ownership information to reporting issuers.)*

**Preferred Language of Communication**

Part 3 of the client response form allows you to tell us your preferred language of communication (English or French). You will receive materials in your preferred language of communication if the materials are available in that language.

**Electronic Delivery of Documents**

Securities law permits us to deliver some documents by electronic means if the consent of the recipient to the means of delivery has been obtained. Please provide your electronic mail address if you have one. *[**Instruction**: Either state (1) if the client wishes to receive documents by electronic delivery from the intermediary, the client should complete, sign and return the enclosed consent form with the client response form or (2) inform the client that electronic delivery of documents by the intermediary may be available upon his or her consent, and provide information as to how the client may provide that consent.]*

**CONTACT**

If you have any questions or want to change your instructions in the future, please contact [name] at [phone number] or [address, fax number, electronic mail address and/or website].

**CLIENT RESPONSE FORM**

**TO: [NAME OF INTERMEDIARY]**

Account Number(s) _____

I have read and understand the explanation to clients that you have provided me in connection with this form and the choices indicated by me apply to all of the securities held in the above account(s).

**PART 1 - Disclosure of Beneficial Ownership Information**

*Please mark the corresponding box to show whether you **DO NOT OBJECT** or **OBJECT** to us disclosing your name, address, electronic mail address, securities holdings and preferred language of communication (English or French) to issuers of securities you hold with us and to other persons or companies in accordance with securities law. [**Optional:** For clients that **OBJECT**, disclose particulars of any fees or charges that the intermediary may require the client to pay in connection with the sending of securityholder materials.] [**Note:** The client response form may contain a place where an objecting beneficial owner can indicate its agreement to pay costs of delivery of securityholder materials that are not borne or required to be borne by another person or company.]*

☐ **I DO NOT OBJECT to you disclosing the information described above.**

☐ **I OBJECT to you disclosing the information described above.**

**PART 2 - Receiving Securityholder Materials**

*Please mark the corresponding box to show whether you **WANT** to receive **ALL** materials sent to beneficial owners of securities or whether you **DECLINE** to receive all of the following materials: (a) proxy-related materials for meetings at which only routine business is to be conducted; (b) annual reports and financial statements that are not part of proxy-related materials; and (c) materials sent to securityholders that are not required by corporate or securities law to be sent.*

☐ **I WANT to receive ALL securityholder materials sent to beneficial owners of securities.**

☐ **I DECLINE to receive all of the following materials: (a) proxy-related materials[2] that are sent in connection with a securityholder meeting at which only "routine business"[3] is to be conducted; (b) financial statements and annual reports that are not part of proxy-related materials; and (c) materials sent to securityholders that are not required by corporate or securities law to be sent. *(Even if I decline to receive these types of materials, I understand that a reporting issuer or other person or company is entitled to send these materials to me at its expense.)***

(Note: These instructions do not apply to any specific request you give or may have given to a reporting issuer concerning the sending of interim financial statements of the reporting issuer.)

**PART 3 - Preferred Language of Communication**

*Please mark the corresponding box to show your preferred language of communication.*

☐ **ENGLISH**

☐ **FRENCH**

I understand that the materials I receive will be in my preferred language of communication if the materials are available in that language.

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2 This would include financial statements and annual reports that are proxy-related materials.

3 "Routine business" means:
- (i) consideration of the minutes of an earlier meeting;
- (ii) consideration of financial statements of the reporting issuer or an auditors' report on the financial statements of the reporting issuer;
- (iii) election of directors of the reporting issuer;
- (iv) the setting or changing of the number of directors to be elected within a range permitted by corporate law if no change to the constating documents of the reporting issuer is required in connection with that action; or
- (v) reappointment of an incumbent auditor of the reporting issuer.

**NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**
**FORM 54-101F2**
**REQUEST FOR BENEFICIAL OWNERSHIP INFORMATION**

**Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.**
**The use of this Form is referenced in sections 1.1, 2.5, 2.6, 2.9, 2.10, 2.12, 2.13, 2.14 and 4.1, 4.2, 4.3 and 6.2 of National Instrument 54-101.**
**References in this Form should be amended as appropriate to refer to any person or company using this Form in accordance with section 6.2 of National Instrument 54-101.**

**PART 1**

**REPORTING ISSUER INFORMATION**

**Item 1 - Name and address of the reporting issuer.**

State the name and address of the reporting issuer.

**Item 2 - Contact person(s)**

State the name, address, telephone number, facsimile number and any electronic mail address or website of the contact person(s) of the reporting issuer, or of the reporting issuer's agent, if applicable, with whom the intermediary should deal.

State the billing address of the reporting issuer or of the reporting issuer's agent if different.

**Item 3 - Name and ISIN[4] number of each class or series of securities to be searched**

State the name and ISIN number of each class or series of securities of the reporting issuer for which information is requested.

**Item 4 - Purpose of the request for beneficial ownership information**

State whether the request is being made

(a) in connection with neither a meeting nor the sending of securityholder materials;

(b) for the purpose of obtaining a NOBO list, and in connection with sending securityholder materials, but not in connection with a meeting;

(c) for the purpose of obtaining a NOBO list, and in connection with a meeting;

(d) in connection with sending securityholder materials, not in connection with a meeting, and without a NOBO list being requested; or

(e) in connection with a meeting, without a NOBO list being requested.

**Item 5 - Information to be Included or Requested if Item 4(a) is Applicable**

**5.1** If a NOBO list is desired, request a NOBO list without FINS number information.

**5.2** If desired, request information on the number of OBOs and NOBOs of the reporting issuer, indicating the number of each that have declined to accept materials to the extent applicable and the number of OBOs and NOBOs who have consented to electronic delivery of documents.

**5.3** Specify the date as of which the NOBO list or the information referred to in item 5.2 is to be prepared.

**5.4** If a NOBO list is requested, confirm that an undertaking of the reporting issuer in the form of Form 54-101F9 is enclosed or is being concurrently provided with the request for beneficial ownership information.

4 "ISIN" means International Stock Identification Number.

**Item 6 - Information to be Included or Requested if Item 4(b) is Applicable**

**6.1** Request a NOBO list without FINS number information.

**6.2** Provide an itemized list of the securityholder materials to be sent.

**6.3** Indicate whether the securityholder materials are available in English or French only or in both English and French.

**6.4** State whether the reporting issuer will send the materials directly to NOBOs or whether the reporting issuer will send the materials to the proximate intermediary for sending to NOBOs.

**6.5** State the date as of which information provided in response to the request, including the NOBO lists, is to be provided.

**6.6** State the date when the reporting issuer anticipates that proximate intermediaries will receive the materials referred to in item 6.2.

**6.7** State whether the materials are to be sent by first class mail to the beneficial owners of securities and if not, state what method is to be used to send the materials, bearing in mind the different timing requirements in section 2.12 of the National Instrument. *[If materials are to be sent electronically, the sender should bear in mind the principles of National Policy 11-201 and, in Quebec, Staff Notice 11-201.]*

**6.8** Confirm that an undertaking of the reporting issuer in the form of Form 54-101F9 is enclosed or is being concurrently provided with the request for beneficial ownership information.

**6.9** If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.

**Item 7 - Information to be Included or Requested if Item 4(c) is Applicable**

**7.1** Request a NOBO list. If the reporting issuer will send proxy-related materials directly to NOBOs and seek voting instructions from NOBOs, specify that the NOBO list will include FINS number information. Otherwise, specify that the NOBO list will exclude FINS number information.

**7.2** Provide an itemized list of the proxy-related materials to be sent.

**7.3** Indicate whether the proxy-related materials are available in English or French only or in both English and French.

**7.4** State whether the reporting issuer will send the materials directly to NOBOs or whether the reporting issuer will send the materials to the proximate intermediary for sending to NOBOs. If the reporting issuer will send materials directly to NOBOs, state whether the reporting issuer will be seeking voting instructions from NOBOs in connection with the meeting.

**7.5** State:

(a) the type of meeting (annual, special or annual and special) and whether only routine business is to be conducted at the meeting[5];

(b) the beneficial ownership determination date of the meeting;

(c) the date, time and place of meeting; and

(d) the cut-off date and time for proxy receipt, if applicable.

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[5] "routine business" means, for a meeting,
(a) consideration of the minutes of an earlier meeting;
(b) consideration of the financial statements of the reporting issuer or an auditor's report on the financial statements of the reporting issuer;
(c) election of directors of the reporting issuer;
(d) setting or changing of the number of directors to be elected within a range permitted by corporate law, if no change to the constating documents of the reporting issuer is required in connection with that action; or
(e) reappointment of an incumbent auditor of the reporting issuer.

**7.6** State the name and ISIN number of each class or series of securities that carry the right to receive notice of the meeting or the right to vote at the meeting.

**7.7** State that the information to be provided in response to the request, including the NOBO list, is to be provided as at the beneficial ownership determination date of the meeting.

**7.8** State the date when the reporting issuer anticipates that proximate intermediaries will receive the materials referred to in item 7.2.

**7.9** State whether the materials are to be sent by first class mail to the beneficial owners of securities and if not, state what method is to be used to send the materials, bearing in mind the different timing requirements in section 2.12 of the National Instrument. *[If materials are to be sent electronically, the sender should bear in mind the principles of National Policy 11-201 and, in Quebec, Staff Notice 11-201]*

**7.10** Confirm that an undertaking of the reporting issuer in the form of Form 54-101F9 is enclosed or is being concurrently provided with the request for beneficial ownership information.

**7.11** If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.

**Item 8 - Information to be Included or Requested if Item 4(d) is Applicable**

**8.1** Provide an itemized list of the securityholder materials to be sent.

**8.2** Indicate whether the securityholder materials are available in English or French only or in both English and French.

**8.3** State the date as at which information provided in response to the request is to be provided.

**8.4** State the date when the reporting issuer anticipates that proximate intermediaries will receive the materials referred to in item 8.1.

**8.5** State whether the materials are to be sent by first class mail to the beneficial owners of securities, and, if not, state what method is to be used to send the materials, bearing in mind the different timing requirements in section 2.12 of the National Instrument. *[If materials are to be sent electronically, the sender should bear in mind the principles of National Policy 11-201 and, in Quebec, Staff Notice 11-201.]*

**8.6** If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.

**Item 9 - Information to be Included or Requested if Item 4(e) is Applicable**

**9.1** Provide an itemized list of the proxy-related materials to be sent.

**9.2** Indicate whether the proxy-related materials are available in English or French only or in both English and French.

**9.3** State:

(a) the type of meeting (annual, special or annual and special) and whether only routine business is to be conducted at the meeting[6];

(b) the beneficial ownership determination date of the meeting;

(c) the date, time and place of meeting; and

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[6] "routine business" means, for a meeting,
(a) consideration of the minutes of an earlier meeting;
(b) consideration of the financial statements of the reporting issuer or an auditor's report on the financial statements of the reporting issuer;
(c) election of directors of the reporting issuer;
(d) setting or changing of the number of directors to be elected within a range permitted by corporate law, if no change to the constating documents of the reporting issuer is required in connection with that action; or
(e) reappointment of an incumbent auditor of the reporting issuer.

(d) the cut-off date and time for proxy receipt, if applicable.

**9.4** State the name and ISIN number of each class or series of securities that carry the right to receive notice of the meeting or the right to vote at the meeting.

**9.5** State that the information to be provided in response to the request is to be provided as at the beneficial ownership determination date of the meeting.

**9.6** State the date when the reporting issuer anticipates that proximate intermediaries will receive the materials referred to in item 9.1.

**9.7** State whether the materials are to be sent by first class mail to the beneficial owners of securities and, if not, state what method is to be used to send the materials, bearing in mind the different timing requirements in section 2.12 of the National Instrument. *[If materials are to be sent electronically, the sender should bear in mind the principles of National Policy 11-201 and, in Quebec, Staff Notice 11-201.]*

**9.8** If the securityholder materials are to be sent to all beneficial owners of securities, including beneficial owners that have declined to receive them, so state.

## Item 10 - Payment of Costs of Sending to OBOs

**10.1** State whether the reporting issuer will pay the costs associated with the delivery of the securityholder materials to OBOs by intermediaries.

**Part 2**

**PROXIMATE INTERMEDIARY RESPONSE**

**Item 1 - Name and address of proximate intermediary**

State the name and address of the proximate intermediary.

**Item 2 - Contact person**

State the name, telephone number, fax number and any electronic mail address and website of the contact person(s) of the proximate intermediary, or of the proximate intermediary's agent, if applicable, with whom the reporting issuer should deal.

**Item 3 - Consolidation of replies**

**3.1** If applicable, provide a list of

(a) all nominees and depositories who hold securities on behalf of the proximate intermediary; and

(b) all nominees, depositories and other intermediaries for whom the proximate intermediary, directly or indirectly, holds securities.

**3.2** Provide a list showing the number and class of securities held by each of the persons or companies referred to in Item 3.1.

**3.3** Confirm that the information provided in the response includes securities held through those nominees, depositories and intermediaries holding, directly or indirectly, through the proximate intermediary.

**Item 4 - Address for receipt of materials**

If the request for beneficial ownership information was made either in connection with sending securityholder materials apart from a meeting, or in connection with a meeting, provide, if different from the information provided under Item 2, the name and municipal address to which the materials are to be sent for forwarding by the intermediary to beneficial owners or other intermediaries.

Also provide the name, telephone number, fax number and any electronic mail address and website of the contact person at that address if different from the information provided under item 2.

**Item 5 - Number of sets of materials required for forwarding by proximate intermediary to beneficial owners**

**5.1** Unless the request for beneficial ownership information was made only to obtain NOBO lists, state the number, including the number required in each case in English and French, of materials specified in Part 1 of this form required for forwarding by the proximate intermediary to beneficial owners. If the proximate intermediary is in a foreign jurisdiction and the law in that jurisdiction requires the proximate intermediary to send securityholder materials to beneficial owners including NOBOs, this fact may be stated and the number of sets of materials specified may include the number required for such NOBOs.

**5.2** If the reporting issuer has specified that it will send documents electronically, state the

(a) aggregate number of beneficial owners that hold securities, directly or indirectly, through the proximate intermediary; and

(b) the aggregate number of the beneficial owners referred to in paragraph (a) that have consented to electronic delivery of the documents by the intermediary through whom they hold the relevant securities.

**5.3** State the number of OBOs with addresses, as shown in the records of the intermediary through which the OBO holds securities, in each jurisdiction.

**Item 6 - Preliminary Search Information**

If the request for beneficial ownership information was made to receive information under item 5.2 of the request, provide information on the number of OBOs and NOBOs of the reporting issuer, indicating the number of each that have declined to receive materials in accordance with the Instrument.

**Item 7 - NOBO Lists**

If a NOBO list was requested and if the proximate intermediary is able to provide the list in electronic form in the form of Form 54-101F5, confirm that the proximate intermediary shall send it electronically in that form. If a NOBO list was requested and if the proximate intermediary is unable to provide the list electronically in the form of Form 54-101F5, enclose the list with the response. Unless the request for beneficial ownership information stated that the request was being made for the purpose of obtaining NOBO lists and in connection with a meeting where the reporting issuer would be sending materials to NOBOs and seeking voting instructions from NOBOs, exclude from the NOBO list the FINS number information.

**Item 8 - Confirmation of the search**

Confirm the completeness and accuracy of the foregoing information.

**Item 9 - Warning**

If NOBO lists were requested, the response shall contain the following statement:

WARNING: IT IS AN OFFENCE TO USE A NOBO LIST FOR PURPOSES OTHER THAN IN CONNECTION WITH:

a. sending securityholder materials to NOBOs in accordance with National Instrument 54-101;

b. an effort to influence the voting of securityholders of the reporting issuer;

c. an offer to acquire securities of the reporting issuer; or

d. any other matter relating to the affairs of the reporting issuer.

**Item 10 - Non-Delivery to OBOs**

**10.1** State whether the proximate intermediary or any other intermediaries on whose behalf the proximate intermediary holds securities are entitled to decline to send, and will not send, securityholder materials to an OBO unless the OBO, or the relevant issuer, pays the costs of sending. *[This provision is not necessary if a reporting issuer has indicated in Form 54-102F2 that it will pay the costs of the intermediaries sending materials to OBOs.]*

**10.2** Estimate the number of OBOs and their aggregate approximate holdings in securities of the reporting issuer that hold through the intermediaries referred to in item 10.1.

**NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**
**FORM 54-101F3**
**OMNIBUS PROXY (DEPOSITORIES)**

**Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.**
**The use of this Form is referenced in sections 1.1, 2.3, 5.4 and 8.2 of National Instrument 54-101.**

[Letterhead of Depository]

**OMNIBUS PROXY**

Subject to the paragraph that follows, [the undersigned], being a registered holder or proxy holder in respect of securities of the reporting issuer specified below, as at the beneficial ownership determination date, hereby appoints each of the persons or companies identified in the attached schedule, in respect of the corresponding securities referred to below, with power of substitution in each, to attend, vote and otherwise act for and on behalf of [the undersigned] to the extent of the number of securities specified, in respect of all matters that may come before the meeting of securityholders described below, and at any adjournment or continuance thereof.

The appointees shall not vote, or give a proxy requiring or authorizing another person or company to vote, the securities represented by this omnibus proxy except in accordance with voting instructions received from the beneficial owners whose securities are represented by this omnibus proxy or in accordance with other legal authority to vote the securities.

This instrument supersedes and revokes any prior appointment of proxy made by [the undersigned] with respect to the voting of the securities specified below at such meeting, or at any adjournment thereof.

Reporting issuer: _____

Class/Series of Security: _____

ISIN Number: _____

Number of Securities: _____

Date of Meeting: _____

Beneficial Ownership Determination Date: _____

*[Include date and signature]*

**Schedule to Form 54-101F3**

[Letterhead of Depository]

**SCHEDULE TO OMNIBUS PROXY**

**Participant Security Positions**

Reporting issuer: _____

ISIN Number: _____

Effective Date/Beneficial Ownership Determination Date: _____

| Participant | Total Number of Securities of the relevant class or series |
|---|---|
| [Name/address of participant] | [position held by participant] |
| [Name/address of participant] | [position held by participant] |
| [Name/address of participant] | [position held by participant] |
| Total Number of Securities held by Participants for the relevant class or series | [Total] |

**NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**
**FORM 54-101F4**
**OMNIBUS PROXY (PROXIMATE INTERMEDIARIES)**

**Note: Terms used in this Form have the meanings given to them in National Instrument 54-101. The use of this Form is referenced in sections 1.1, 4.1 and 8.2 of National Instrument 54-101.**

[Letterhead of Proximate Intermediary]

**OMNIBUS PROXY**

Subject to the paragraph that follows, [the undersigned], being a registered holder or proxy holder in respect of securities of the reporting issuer specified below, as at the beneficial ownership determination date, hereby appoints [*insert names from reporting issuer's management proxy*], with power of substitution, to attend, vote and otherwise act for and on behalf of [the undersigned] to the extent of the number of securities specified, in respect of all matters that may come before the meeting of securityholders described below, and at any adjournment or continuance.

The appointees shall not vote, or give a proxy requiring or authorizing another person or company to vote, the securities represented by this omnibus proxy except in accordance with voting instructions received from the beneficial owners whose securities are represented by this omnibus proxy or in accordance with other legal authority to vote the securities.

This instrument supersedes and revokes any prior appointment of proxy made by [the undersigned] with respect to the voting of the securities specified below at such meeting, or at any adjournment thereof.

Reporting issuer: _____

Class/Series of Security: _____

ISIN Number: _____

Number of Securities: _____

Name of Registered Holder of Securities[7]: _____

Date of Meeting: _____

Beneficial Ownership Determination Date: _____

*[Include date and signature]*

[7] *[Instruction: Specify if securities are held through more than one registered holder, and specify the number of securities held through each registered holder.]*

**NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**
**FORM 54-101F5**
**ELECTRONIC FORMAT FOR NOBO LIST**

**Note: Terms used in this Form have the meanings given to them in National Instrument 54-101. The use of this Form is referenced in sections 1.1, 1.3, 2.5, 2.9, 2.10, 2.11, 4.1, 6.1, 7.1 and 10.4 of National Instrument 54-101.**

| HEADER RECORD DESCRIPTION | TYPE | LENGTH | COMMENTS |
|---|---|---|---|
| RECORD TYPE | A | 1 | Header record = A |
| FINS NUMBER | A | 4 | Prefix T, M, V or C |
| ISIN[8] | A | 12 | |
| FILLER | X | 3 | Blank |
| SECURITY DESC. | A | 32 | Security Description |
| RECORD DATE | N | 8 | Format YYYYMMDD |
| CREATION DATE | N | 8 | Format YYYYMMDD |
| FILLER | X | 250 | Blank |

| DETAIL RECORD DESCRIPTION | TYPE | LENGTH | COMMENTS |
|---|---|---|---|
| RECORD TYPE | A | 1 | Detail Record = B |
| FINS NUMBER | A | 4 | Same as in Header record |
| ISIN[1] | A | 12 | |
| FILLER | X | 3 | Blank |
| FILLER | X | 20 | Blank |
| NAME | A | 32 | Holder Name |
| ADDRESS | A | 32 x6 | Occurs 6 times |
| FILLER | X | 32 | Blank |
| POSTAL CODE | A | 9 | |
| POSTAL REGION | A | 1 | C-Canada; U-USA; F-Foreign (other than USA); H-Hand Deliver |
| FILLER | X | 2 | Blank |
| E-MAIL ADDRESS | A | 32 | |
| LANGUAGE CODE | A | 1 | E-English; F-French |
| NUMBER OF SHARES | N | 9 | Shareholder Position |
| RECEIVE ALL MATERIAL | A | 1 | Y/N |
| AGREE TO ELECTRONIC DELIVERY BY INTERMEDIARY | A | 1 | Y/N |

| TRAILER RECORD DESCRIPTION | TYPE | LENGTH | COMMENTS |
|---|---|---|---|
| RECORD TYPE | A | 1 | Trailer record = C |
| FINS NUMBER | A | 4 | Same as in Header record |
| ISIN[1] | A | 12 | |
| FILLER | X | 3 | Blank |
| TOTAL SHAREHOLDERS | N | 7 | Number of "B" type records |
| TOTAL SHARES | N | 11 | Total shares on "B" records |
| FILLER | X | 280 | Blank |

WARNING: IT IS AN OFFENCE TO USE A NOBO LIST FOR PURPOSES OTHER THAN IN CONNECTION WITH:

a. sending securityholder materials to NOBOs in accordance with National Instrument 54-101;

b. an effort to influence the voting of securityholders of the reporting issuer;

c. an offer to acquire securities of the reporting issuer; or

d. any other matter relating to the affairs of the reporting issuer.

[8] "ISIN" means International Stock Identification Number.

**NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**
**FORM 54-101F6**
**REQUEST FOR VOTING INSTRUCTIONS MADE BY REPORTING ISSUER**

**Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.**
**The use of this Form is referenced in sections 1.1, 2.11, 2.17 and 2.19 of National Instrument 54-101.**
**References in this Form should be amended as appropriate to refer to the person or company using this Form, in accordance with section 6.2 of National Instrument 54-101.**

[Letterhead of Reporting issuer]

**REQUEST FOR VOTING INSTRUCTIONS**

To our securityholders:

We are sending to you the enclosed proxy-related materials that relate to a meeting of the holders of the series or class of securities that are held on your behalf by the intermediary identified below. Unless you attend the meeting and vote in person, your securities can be voted only by management, as proxy holder of the registered holder, in accordance with your instructions.

*[Include instructions for appointing alternative proxy.]*

**We are prohibited from voting these securities on any of the matters to be acted upon at the meeting without your specific voting instructions.** In order for these securities to be voted at the meeting, **it will be necessary for us to have your specific voting instructions**. Please complete and return the information requested in this form to provide your voting instructions to us promptly.

*[Specify how and to whom the voting instructions may be returned.]*

Should you wish to attend the meeting and vote in person, please write your name in the place provided for that purpose in the voting instructions form provided to you and we will send to you a form of legal proxy which will grant you the right to attend the meeting and vote in person. If you require assistance in that regard, please contact [the undersigned].

*[Insert proximate intermediary name, code or identifier; name, address and respective holdings of securities of the relevant series or class held for the NOBO.]*

*[Insert description of proposals to be voted upon, other instructions or explanations, etc.]*

By providing voting instructions as requested, you are acknowledging that you are the beneficial owner of, and are entitled to instruct us with respect to the voting of, these securities.

(If these voting instructions are given on behalf of a body corporate set out the full legal name of the body corporate, the name and position of the person giving voting instructions on behalf of the body corporate and the address for service of the body corporate.)

**NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**
**FORM 54-101F7**
**REQUEST FOR VOTING INSTRUCTIONS MADE BY INTERMEDIARY**

**Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.**
**The use of this Form is referenced in sections 1.1, 4.4 and 4.6 of National Instrument 54-101.**
**References in this Form should be amended as appropriate to refer to the person or company using this Form, in accordance with section 6.2 of National Instrument 54-101.**

[Letterhead of Intermediary]

**REQUEST FOR VOTING INSTRUCTIONS**

To our clients:

We are sending to you the enclosed proxy-related materials that relate to a meeting of the holders of securities of the series or class held by us in your account but not registered in your name. Unless you attend the meeting and vote in person, your securities can be voted only by us, as registered holder or proxy holder of the registered holder, in accordance with your written instructions.

*[Include instructions for appointing alternative proxy.]*

**We are prohibited from voting these securities on any of the matters to be acted upon at the meeting without your specific voting instructions.** In order for these securities to be voted at the meeting, **it will be necessary for us to have your specific voting instructions**. Please complete and return the information requested in this form to provide your voting instructions to us promptly.

*[Specify how and to whom the voting instructions may be returned.]*

Should you wish to attend the meeting and vote in person, please write your name in the place provided for that purpose in the voting instructions form provided to you and we will send to you a form of legal proxy which will grant you the right to attend the meeting and vote in person. If you require assistance in that regard, please contact [the undersigned].

*[Insert intermediary name, code or identifier; name, address and respective holdings of securities of the relevant series or class held for the beneficial owner.]*

*[Insert description of proposals to be voted upon, other instructions or explanations, etc.]*

By providing voting instructions as requested, you are acknowledging that you are the beneficial owner of, and are entitled to instruct us with respect to the voting of, these securities.

(If these voting instructions are given on behalf of a body corporate set out the full legal name of the body corporate, the name and position of the person giving voting instructions on behalf of the body corporate and the address for service of the body corporate.)

**NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**
**FORM 54-101F8**
**LEGAL PROXY**

**Note: Terms used in this Form have the meanings given to them in National Instrument 54-101.**
**The use of this Form is referenced in sections 1.1, 2.18 and 4.5 of National Instrument 54-101.**

**LEGAL PROXY**

Subject to the paragraph that follows, the undersigned, being a registered holder or proxy holder in respect of securities of the reporting issuer specified below, hereby appoints *[insert name(s) from beneficial owner request for a legal proxy]*, with power of substitution, to attend, vote and otherwise act for and on behalf of the undersigned to the extent of the number of securities specified, in respect of all matters that may come before the meeting of securityholders specified below, and at any adjournment or continuance.

This instrument supersedes and revokes any prior proxy made by the undersigned with respect to the voting of the securities specified below at such meeting, or at any adjournment thereof.

Issuer:
Class/Series of Security:
ISIN Number:
Number of Securities:
Name of Registered Holder of Securities and any Intermediaries through whom proxy is derived:
Date of Meeting:
Place of Meeting:
Beneficial Ownership Determination Date of Meeting:

By voting the securities represented by this legal proxy, you will be acknowledging that you are the beneficial owner of, and are entitled to vote, such securities.

_____
Registered Holder of Securities or Proxy holder

_____
Signing Officer

_____
Date

**NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**
**FORM 54-101F9**
**UNDERTAKING**

**Note: Terms used in this Form have the meanings given to them in National Instrument 54-101. The use of this Form is referenced in sections 2.5, 6.1 and 6.2 of National Instrument 54-101.**

I, _____ ,

(Full Residence Address) _____ ,

(If this undertaking is made on behalf of a body corporate, set out the full legal name of the body corporate, position of person signing and address for service of the body corporate).

SOLEMNLY DECLARE AND UNDERTAKE THAT:

1. I require a list in the required format of the non-objecting beneficial owners of securities of [*insert name of the reporting issuer*] on whose behalf intermediaries hold securities (a NOBO list), as shown on the records of the intermediaries.

2. I undertake that the information set out on the NOBO list will be used only for the purpose of

   (a) sending securityholder materials to NOBOs in accordance with National Instrument 54-101;

   (b) an effort to influence the voting of securityholders of the reporting issuer;

   (c) an offer to acquire securities of the reporting issuer; or

   (d) any other matter relating to the affairs of the reporting issuer.

3. I undertake that, except as permitted under National Instrument 54-101, the NOBO list will not be used to send securityholder materials to those NOBOs that are identified on the NOBO list as having chosen not to receive the materials, and that the materials sent shall include the following statement:

   "These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf."

4. I acknowledge that I am aware that it is an offence to use a NOBO list for purposes other than in connection with:

   (a) sending securityholder materials to NOBOs in accordance with National Instrument 54-101;

   (b) an effort to influence the voting of securityholders of the reporting issuer;

   (c) an offer to acquire securities of the reporting issuer; or

   (d) any other matter relating to the affairs of the reporting issuer.

_____
Signature

_____
Name of person signing

_____
Date

### 5.1.2 Companion Policy 54-101CP to National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer

**COMPANION POLICY 54-101CP**
**TO NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**

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**COMPANION POLICY 54-101CP**
**TO NATIONAL INSTRUMENT 54-101**
**COMMUNICATION WITH BENEFICIAL OWNERS**
**OF SECURITIES OF A REPORTING ISSUER**

## PART 1 BACKGROUND

### 1.1 History

(1) Obligations imposed on reporting issuers under corporate law and securities legislation to communicate with securityholders are typically cast as obligations in respect of registered holders and not in respect of beneficial owners. For purposes of market efficiency, securities are increasingly not registered in the names of the beneficial owners but rather in the names of depositories, or their nominees, who hold on behalf of intermediaries, such as dealers, trust companies or banks, who, in turn, hold on behalf of the beneficial owners. Securities may also be registered directly in the names of intermediaries who hold on behalf of the beneficial owners.

(2) Corporate law and securities legislation require reporting issuers to send to their registered holders information and materials that enable such holders to exercise their right to vote. To address concerns that beneficial owners who hold their securities through intermediaries or their nominees may not receive the information and materials, in 1987, the CSA approved National Policy Statement No. 41 ("NP41"), which has since been replaced by National Instrument 54-101 (the "Instrument").

(3) The purpose of this Policy is to state the views of the Canadian securities regulatory authorities on various matters relating to the Instrument in order to provide guidance and interpretation to market participants in the practical application of the Instrument.

**1.2 Fundamental Principles** - The following fundamental principles have guided the preparation of the Instrument:

(a) all securityholders of a reporting issuer, whether registered holders or beneficial owners, should have the opportunity to be treated alike as far as is practicable;

(b) efficiency should be encouraged; and

(c) the obligations of each party in the securityholder communication process should be equitable and clearly defined.

## PART 2 GENERAL

### 2.1 Application of Instrument

(1) The securityholder communication procedures contemplated by the Instrument are applicable to all securityholder materials sent by a reporting issuer to holders of securities of the reporting issuer under Canadian securities legislation including, but not limited to, proxy-related materials. Securityholder materials include materials required by securities legislation or applicable corporate law to be sent to registered holders of securities of a reporting issuer, such as interim financial statements and issuer bid and directors circulars. Securityholder materials can also include materials sent to registered holders absent any legal requirement to do so; an example of these types of materials would be corporate communications containing product information.

(2) As provided in section 2.7 of the Instrument, compliance with the procedures set out in the Instrument is mandatory for reporting issuers when sending proxy-related materials to beneficial owners, and, under section 2.8 of the Instrument, is optional for the sending of other materials. Once a reporting issuer, or another person or company pursuant to Part 6 of the Instrument, chooses to use the communications procedures specified in the Instrument for a reporting issuer, depositories, intermediaries and other persons or companies must comply with their corresponding obligations under the Instrument.

### 2.2 Application to Foreign Securityholders and U.S. Issuers

(1) As provided in subsection 2.12(3) of the Instrument, a reporting issuer that is precluded from sending securityholder materials directly to NOBOs because of conflicting legal requirements in the United States or elsewhere outside of Canada shall send the materials indirectly, i.e., by forwarding the materials to NOBOs through proximate intermediaries for those securities.

(2) National Instrument 71-101 *The Multijurisdictional Disclosure System* provides, in Part 18, that a "U.S. issuer", as defined in that Instrument, is considered to satisfy the requirements of National Instrument 54-101, other than in respect of fees, if the issuer complies with the requirements of Rule 14a-13 under the 1934 Act for any Canadian clearing agency and any intermediary whose last address as shown on the books of the issuer is in the local jurisdiction. Those requirements are designed to achieve the same purpose as the requirements of the Instrument.

(3) A Canadian reporting issuer may be exempt from complying with U.S. requirements under a reciprocal provision in the U.S. Multijurisdictional Disclosure regime.

**2.3 Interim Financial Statements** - Interim financial statements sent to beneficial owners in accordance with National Instrument 54-102 *Interim Financial Statement and Report Exemption* are "securityholder materials" under the Instrument. However, financial statements sent under National Instrument 54-102 need not be sent using the mechanisms of National Instrument 54-101 as the reporting issuer will send them directly to persons on a supplemental list.

**2.4 "Client" and "Intermediary" to be Distinguished From "Beneficial Owner"**

(1) Section 1.1 of the Instrument distinguishes between "client" and "beneficial owner". The two definitions recognize that, for many reporting issuers, there may be layers of intermediaries between the registered holder of a security and the ultimate beneficial owner. For example, a dealer could hold a security on behalf of another dealer that in turn holds the security for the beneficial owner.

(2) In the Instrument, "beneficial owner" refers to a person or company that, ultimately, has the right to vote, or exercise control or direction over, the securities that are held through intermediaries and that therefore originates the instructions that are contained in a client response form, or that would have the authority to originate those instructions. If an intermediary that holds securities has discretionary authority over the securities, and consequently has authority to provide instructions in a client response form, it will be the beneficial owner of those securities for purposes of the Instrument and would not also be an "intermediary" with respect to those securities.

(3) The term "client" refers to the person or company for whom an intermediary directly holds securities, regardless of whether the client is a beneficial owner. For example, if a dealer holds securities on behalf of a bank that in turn holds the securities on behalf of the beneficial owner, the bank is a client of the dealer, and the beneficial owner is a client of the bank. The beneficial owner is not a client of the dealer. Section 1.2 of the Instrument recognizes that, under the Instrument, an intermediary may "hold" securities for a client, even if another person or company is shown on the books or records of the reporting issuer or the records of another intermediary or depository as the holder of the securities.

**2.5 Definition of "Corporate Law"** - Section 1.1 of the Instrument defines "corporate law" as any legislation, constating instrument or agreement that governs the affairs of a reporting issuer. The term "corporate law" therefore encompasses Canadian and foreign laws, a declaration or deed of trust in the case of a trust, and the partnership agreement in the case of a partnership.

**2.6 Fees** - Section 1.4 provides that fees payable under the Instrument, unless prescribed by the regulator or securities regulatory authority, shall be a reasonable amount. Section 2.13 provides that a reporting issuer shall pay a fee to a proximate intermediary for furnishing the information requested in a request for beneficial ownership information (which would be used by reporting issuer to request a NOBO list) made by the reporting issuer. Paragraph 2.14(1)(a) provides that a reporting issuer that sends securityholder materials indirectly to NOBOs through a proximate intermediary shall pay to the proximate intermediary, upon receipt by the reporting issuer of a certificate of sending to NOBOs in accordance with the instructions specified by the reporting issuer and the request for beneficial ownership information, a fee for sending the securityholder materials to the NOBOs. In determining what is a reasonable amount the Canadian securities regulatory authorities expect that market participants will be guided by fees previously prescribed by Canadian securities regulatory authorities and by the fees payable for comparable services in other jurisdictions such as the United States, as well as by technological developments. In the case of fees for sending securityholder materials to NOBOs, referred to in paragraph 2.14(1)(a), the CSA would regard as currently reasonable an amount not exceeding $1 (being the amount previously specified in NP41).

**2.7 Agent** - A depository, intermediary or reporting issuer that uses an agent to comply with the requirements of the Instrument is reminded that it remains fully responsible for such compliance.

## PART 3 REPORTING ISSUERS

### 3.1 Timing for Notice of Meeting and Record Dates and Intermediary Searches

(1) Subject to section 2.20, section 2.2 of the Instrument requires that, 25 days before the record date for notice of a meeting, a reporting issuer send to the entities named in that section a notification of meeting and record dates, and section 2.5 of the Instrument requires that 20 days before the record date for notice, a reporting issuer send a request for beneficial ownership information to proximate intermediaries. Section 2.20 allows these timing requirements to be abridged upon filing of an officer's certificate containing the information specified in section 2.20. Nevertheless, reporting issuers should commence the notice and searches referred to in sections 2.2, 2.3 and 2.5 at an early date and in sufficient time to allow the completion of all steps and actions required before the sending of materials, including allowing for the response time permitted for intermediaries in section 4.1 and depositories in section 5.3, so that the materials may be sent within the times contemplated by sections 2.9 and 2.12 of the Instrument.

(2) The time frames stipulated by sections 2.9 and 2.12 of the Instrument are minimum requirements. For a meeting that will deal with contentious matters, the CSA expect that good corporate practice will often require that materials be sent earlier than the minimum required dates to ensure that securityholders have a full opportunity to understand and react to the matters raised.

(3) It remains the reporting issuer's responsibility when planning a meeting timetable to factor in all timing considerations, including deadlines external to the Instrument. For example, reporting issuers that have obligations under corporate law to advertise in advance of a record date for notice, or satisfy other publication obligations, would need to comply with those obligations. Reporting issuers that intend to satisfy their advance publication obligation by relying upon publication by CDS of meeting and record dates under subsection 5.2(2) of the Instrument would need to factor in the timing of publication by CDS and the advance notice required by CDS, as described in section 3.4 of this Policy, in order to permit inclusion of meeting and record date information in the publication. Reporting issuers will also need to factor in the time needed to produce and assemble the relevant securityholder materials after quantities have been determined.

(4) Proximate intermediaries are required under section 4.1 of the Instrument to furnish the information requested in a request for beneficial ownership information, in certain circumstances, within three business days of receipt. It should be noted that this timing refers to receipt of the request by the proximate intermediary, which may not be the same date as the request was sent by the reporting issuer. The time necessary for a request for beneficial ownership information to be received by a proximate intermediary should be factored into a reporting issuer's planning.

### 3.2 Adjournment or Change in Meeting

(1) Under section 2.15, a reporting issuer that sends a notice of adjournment or other change for a meeting to registered holders of its securities shall concurrently send the notice, including any change in the beneficial ownership determination date, to the persons and companies listed in section 2.15. Issuers are reminded of a number of other potential implications associated with an adjournment or other change, including those set out below.

(2) If additional proxy-related materials are sent in connection with the meeting after proxy-related materials have previously been sent, a new intermediary search may be required if the beneficial ownership determination date for the meeting is changed.

(3) New intermediary searches may have to be conducted if the nature of the business to be transacted at the meeting is materially changed. If the nature of the business is changed to add business that is not routine business, it may be necessary to conduct new intermediary searches in order to ensure that beneficial owners that had elected not to receive proxy-related materials for meetings at which only routine business was to be conducted receive proxy-related materials for the meeting.

(4) If an adjournment or other change to the business of the meeting requires that new proxy-related materials be sent to securityholders, the meeting date or the date of the adjourned meeting may have to be delayed to satisfy the time periods specified in the Instrument, unless an exemption from the time periods of the Instrument is obtained. If the change in the business of the meeting is significant, such as a change from only routine business to special business, Canadian securities regulatory authorities will not generally grant exemptions from timing requirements for sending proxy-related materials in the absence of exceptional circumstances.

**3.3 Request for Beneficial Ownership Information**

(1) A request for beneficial ownership information made under subsection 2.5(2) of the National Instrument may be for any class or series of securities and is not restricted to only those securities carrying the right to receive notice of, or to vote at, a meeting, as is the case with a request under subsection 2.5(1). A request under subsection 2.5(2) need not necessarily be addressed to all proximate intermediaries holding the class or series of securities.

(2) If it is able to do so, a proximate intermediary is required to respond to a request for a NOBO list by providing the NOBO list in electronic format. All requests for beneficial ownership information including NOBO lists are required to be made through a transfer agent. A reporting issuer that wishes to receive a NOBO list in non-electronic format may make arrangements with its transfer agent to have the electronic format received by the transfer agent converted to a paper copy.

**3.4 Depository's Index of Meetings** - CDS advises that the index referred to in section 5.2 of the Instrument is currently published in the Monday edition of *The Globe and Mail Report on Business* and in the Tuesday edition of *La Presse*. CDS advises that notices of meetings received by CDS by noon on Wednesday are usually published in *The Globe and Mail* on the following Monday and in *La Presse* on the following Tuesday. A reporting issuer should contact CDS for current forms and fee schedules of CDS.

**3.5 Voting Instructions** - Voting instructions that the reporting issuer requests directly from NOBOs will be returned directly to the reporting issuer. Management of the reporting issuer will then vote the securities beneficially owned by NOBOs in accordance with the instructions received from NOBOs to the extent that management has the corresponding proxy. That proxy is given to management by the proximate intermediary that provides the NOBO list under subsection 4.1(1) of the Instrument.

**PART 4 INTERMEDIARIES**

**4.1 Client Response Form** - By completing a client response form as provided in Part 3 of the Instrument, a beneficial owner gives notice of its choices concerning the receipt of materials and the disclosure of ownership information concerning it. Pursuant to section 3.4 of the Instrument, a beneficial owner may, by notice to the intermediary through which it holds, change any prior instructions given in a client response form. Proximate intermediaries should alert their clients to the costs and other consequences of the options in the client response form.

**4.2 Separate Accounts** - A client that wishes to make different choices concerning receipt of securityholder materials or disclosure of ownership information with respect to some of the securities beneficially owned by it should hold those securities in separate accounts.

**4.3 Reconciliation of Positions**

(1) The records of an intermediary must show which of its clients are NOBOs, OBOs or other intermediaries, and specify the holdings of each of those clients.

(2) In order that the Instrument work properly, it is important that the records of an intermediary be accurate. Its records must reconcile accurately with the records of the person or company through whom the intermediary itself holds the securities, which could either be another intermediary or a depository, or the security register of the relevant issuer, if the intermediary is a registered securityholder. This reconciliation must include securities held both directly and through nominees.

(3) A proximate intermediary should provide accurate responses to requests for beneficial ownership information. Information about the holdings of NOBOs, when added to the holdings of OBOs, the holdings of other intermediaries holding through the proximate intermediary and the holdings that the proximate intermediary holds as principal, must not exceed the total security holdings of the proximate intermediary, including its nominees, as shown on the register of the issuer or in the records of the depository.

(4) It is important as well that the total number of votes cast at a meeting by an intermediary or persons or companies holding through an intermediary not exceed the number of votes for which the intermediary itself is a proxyholder.

**4.4 Identification of Intermediary**

(1) A NOBO list with FINS numbers will only be provided where the list is sought by a reporting issuer in conjunction with a meeting of its securityholders in circumstances in which the issuer is sending proxy-related materials

under paragraph 4.1(1)(c) of the Instrument. The FINS number should not be required in circumstances where it is not necessary to reconcile voting instructions and/or proxies.

(2) Identification of the intermediary and the holdings specified in the corresponding NOBO list on requests for voting instructions as required in Form 54-101F6 is necessary for the reporting issuer to be able to reconcile voting instructions received from a NOBO to the corresponding position registered in the name of the intermediary or its nominee or in respect of which the intermediary holds a proxy. In addition, should a NOBO wish to change its voting instructions, before or at a meeting of securityholders, knowledge of the corresponding intermediary and the NOBO's holdings is necessary.

**4.5 Changes to Intermediary Master List** - It is the obligation of intermediaries under section 3.1 of the Instrument to notify each depository of any changes in the information required to be provided under that section within five business days after the change. The five business days is a maximum requirement and it is expected that intermediaries will provide notice of such changes as soon as possible and, if possible in advance, in order that their clients not be prejudiced.

**4.6 Incomplete or Late Deliveries** - If sets of securityholder materials of a reporting issuer are incomplete or received after the prescribed time limits, the intermediary should advise the reporting issuer and request instructions.

**4.7 Other Obligations of Intermediaries** - The Instrument addresses the obligations of intermediaries in connection with the forwarding of securityholder materials. It is noted that intermediaries will have other obligations to the beneficial owners holding through them that arise from the nature of the relationship between the intermediary and the beneficial owners. These obligations will likely include advising the beneficial owners of the commencement of take-over bids, issuer bids, rights offerings and other events, and advising as to how the beneficial owners can obtain the relevant materials.

**PART 5 MEANS OF SENDING**

**5.1 General** - All parties should use the most efficient means of sending information or securityholder material, including, if practicable, sending materials in bulk.

**5.2 Materials in Bulk for Sending to Beneficial Owners** - Securityholder materials sent to intermediaries for sending to beneficial owners by mail should be in uncollated bulk form. All materials forming part of a set to be delivered to securityholders should be delivered together. The intermediary will collate the materials; if the materials are proxy-related materials the intermediary will substitute for any issuer proxy contained in the materials a request for voting instructions for matters to which the proxy-related materials relate.

**5.3 Number of Sets of Materials** - A proximate intermediary should not request sets of securityholder materials for NOBOs if the reporting issuer will be sending the materials directly to those NOBOs.

**5.4 Electronic Communication**

(1) It is expected that most communication for the purposes of the Instrument between or among depositories, reporting issuers and intermediaries will, as far as practicable, be by electronic means, including fax, electronic mail or data transfer. The Instrument is intended by the CSA to promote and facilitate the use of electronic communication, within the limits imposed by corporate law and securities legislation.

(2) The Instrument does not require manual signatures to the forms referred to in the Instrument. While manual signatures are permitted and may be included, the CSA are of the view that if the Instrument is to promote and facilitate the use of electronic communication, the obligation to include manual signatures would impede the promotion of this technology. Accordingly, the Instrument does not require authentication by manual signature, and persons or companies should satisfy themselves as to the authenticity of instructions or other communications received in electronic form.

(3) In Quebec, Staff Notice 11-201, and, in the rest of Canada, National Policy 11-201 Delivery of Documents by Electronic Means (the "11-201 Documents") discuss the sending of materials by electronic means. The guidelines set out in the 11-201 Documents, particularly the suggestion that consent be obtained to an electronic transmission of a document, are applicable to documents sent under the Instrument. Under the 11-201 Documents, securityholder materials could be sent to beneficial owners by electronic means in satisfaction of the requirements of the Instrument if the beneficial owner has consented to receive them in that form.

(4) Section 3.2 of the Instrument requires intermediaries that hold securities on behalf of a client in an account to obtain the electronic mail address of the client, if available, and to enquire whether the client wishes to consent to electronic delivery of documents by the intermediary to the client. The client's electronic mail address and whether they have consented to electronic delivery by the intermediary forms part of the "ownership information" associated with a beneficial owner that will be contained in NOBO lists. The electronic form of NOBO list has a field for this information. Because the consent identified in the NOBO list relates to electronic delivery by the intermediary only, the reporting issuer cannot rely on the consent for its electronic delivery. However, the field in the NOBO list for this consent may be of interest to a reporting issuer. It may assist the reporting issuer in ascertaining whether the intermediary will forward electronically the securityholder materials that the reporting issuer elects to send indirectly through the intermediary. It may also assist the reporting issuer to determine the feasibility of sending materials directly to NOBOs and whether to use electronic delivery itself. Where the reporting issuer chooses to obtain consent for the purposes of satisfying the provisions of the 11-201 Documents, the Canadian securities regulatory authorities anticipate that the reporting issuer will use the electronic mail address contained in the NOBO list.

**5.5 Multiple Deliveries to One Person or Company** - It is noted that sometimes a single investor holds securities of the same class in two or more accounts with the same address. The Canadian securities regulatory authorities note that the delivery of a single set of securityholder materials to that person or company would satisfy the delivery requirements under the Instrument. The sending of a single document in those circumstances is encouraged in order to reduce the costs of securityholder communications.

**PART 6 USE OF NOBO LIST**

**6.1 Use of NOBO List** - Market participants are reminded that the trafficking of a NOBO list, contrary to Part 7 of the Instrument, will constitute a breach of the Instrument and securities legislation, and that the penalty provisions of securities legislation may be applied.

**PART 7 EXEMPTIONS**

**7.1 Materials Sent Less Than 21 Days Before Meeting** - In the absence of extraordinary circumstances, the Canadian securities regulatory authorities will generally not consider shortening the 21-day period for the sending of proxy-related materials to beneficial owners of securities referred to in sections 2.9 and 2.12 of the Instrument.

**7.2 Delay of Audited Annual Financial Statements or Annual Report** - Section 9.1 of the Instrument recognizes that corporate law or securities legislation may permit a reporting issuer to send its audited annual financial statements or annual report to registered holders of its securities later than other proxy-related materials. The Instrument provides that the time periods applicable to sending proxy-related materials prescribed in the Instrument do not apply to the sending of proxy-related materials that are annual financial statements or an annual report if the statements or report are sent by the reporting issuer to beneficial owners of the securities within the time limitations established in applicable corporate law and securities legislation for the sending of the statements or report to registered holders of the securities. Reporting issuers are nonetheless encouraged to send their audited annual financial statements or annual report at the same time as other proxy-related materials.

**7.3 Additional Costs If Time Limitations Shortened** - Section 4.2 of the Instrument allows a proximate intermediary three business days to prepare the securityholder materials for forwarding to beneficial owners after its receipt of the materials from the reporting issuer (four business days if the material is to be sent by mail other than first-class mail). Reporting issuers making arrangements with intermediaries to comply with the procedures in the Instrument within shorter time limits may wish to provide for recovery by the intermediary of reasonable costs attributable to the shorter time limits that it would not otherwise incur (for example, courier, long distance telephone and overtime costs) to ensure forwarding of the materials to OBOs.

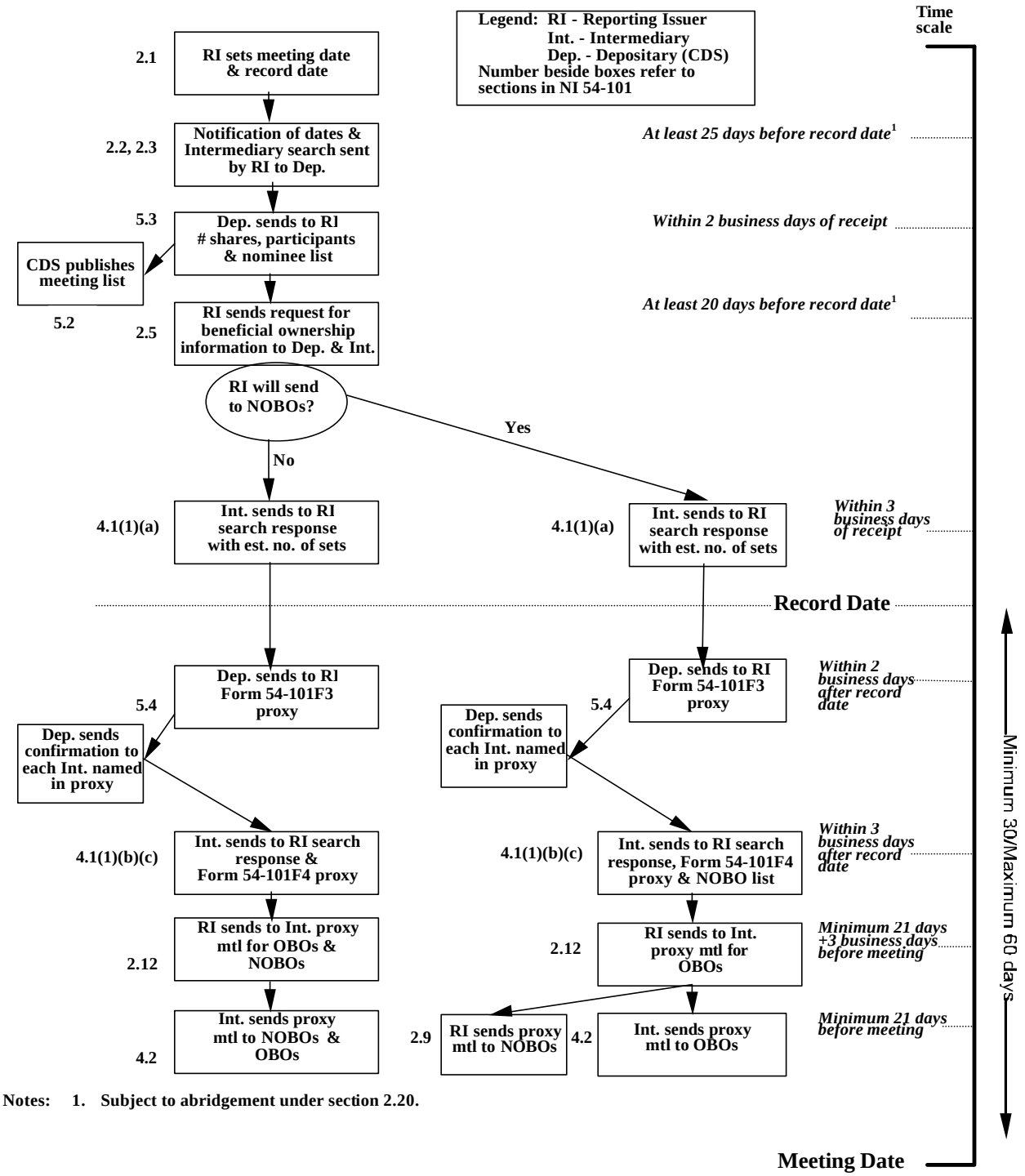
**7.4 Applications** - Applicants should be aware that major exemptions from the requirements of the Instrument will probably be granted infrequently. Exemptions to the predecessor policy statement to the Instrument that were granted typically involved reporting issuers that were incorporated or organized outside of Canada, that had only an insignificant connection to Canada in terms of the percentage of its securityholders that were resident in Canada and the percentage of its securities that were held by those securityholders, and in circumstances in which the reporting issuer was also subject to requirements imposed by securities or corporate legislation outside of Canada that served to ensure that beneficial owners would receive a comparable level of communication from the issuer.

**PART 8 APPENDIX A**

**8.1 Appendix A** - This Companion Policy contains, as Appendix A, a flow chart outlining the processes prescribed by the Instrument for the sending of proxy-related materials.

## Appendix A

### Proxy Solicitation under NI 54-101




**Notes:** 1. Subject to abridgement under section 2.20.

### 5.1.3 National Instrument 54-102, Interim Financial Statement and Report Exemption

**NATIONAL INSTRUMENT 54-102**
**INTERIM FINANCIAL STATEMENT AND REPORT EXEMPTION**

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**NATIONAL INSTRUMENT 54-102**
**INTERIM FINANCIAL STATEMENT AND REPORT EXEMPTION**

## PART 1 DEFINITIONS

**1.1** (1) In this Instrument,

"interim financial statement or report" means, for a reporting issuer,

(a) the interim financial statement or quarterly financial statement, or

(b) any other report for the first, second or third fiscal quarter

required under securities legislation to be sent by the reporting issuer to registered holders of its securities;

"NI 54-101" means National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

"supplemental list" means the list referred to in Part 2.

(2) Terms defined in NI 54-101 and used in this Instrument have the meanings ascribed to them in NI 54-101.

## PART 2 EXEMPTION FROM REQUIREMENT TO SEND INTERIM FINANCIAL STATEMENT OR REPORT

**2.1** **Exemption from Requirement To Send Interim Financial Statement or Report** - A reporting issuer is exempt from the requirement of securities legislation to send an interim financial statement or report to registered holders of its securities if

(a) the reporting issuer, on or before the date the interim financial statement or report is filed under subparagraph (b)(i), issues a news release with a reasonable summary of the information contained in the interim financial statement or report, if the reporting issuer is not a mutual fund;

(b) the reporting issuer concurrently

(i) files the interim financial statement or report with the securities regulatory authority as required by securities legislation, together with the news release required by paragraph (a);

(ii) files the interim financial statement or report with all exchanges on which securities of the reporting issuer are listed;

(iii) sends the interim financial statement or report to the registered holders, and beneficial owners, of the securities whose names appear on the supplemental list established in accordance with section 2.2; and

(c) the interim financial statement or report is for a financial quarter that ended during the twelve-month period that commenced on

(i) the date of the meeting referred to in subparagraph 2.2(a)(i), if the reporting issuer sent a request form in accordance with that subparagraph; or

(ii) the date the reporting issuer sent the financial statements or annual report under paragraph 2.2(a)(ii), if the reporting issuer sent a request form in accordance with that subparagraph.

**2.2** **Establishment of Supplemental List** - In order to establish a supplemental list for the purpose of section 2.1, a reporting issuer shall

(a) send a request form under which a registered holder or beneficial owner of the securities may make, at no cost to the registered holder or beneficial owner, a request to receive the reporting issuer's interim financial statements or reports, with

(i) its proxy-related materials for a meeting of the holders of the securities; or

(ii) its financial statements or annual report, for a financial year, that it sends to the holders of the securities, if the reporting issuer is not required under corporate law to hold an annual meeting for which proxy-related materials are required to be sent to the holders of the securities; and

(b) prepare a supplemental list that sets out the registered holders, and beneficial owners, of the securities that have requested its interim financial statements or reports by returning a completed request form to the reporting issuer.

**PART 3 TRANSITIONAL**

**3.1 Issuers That Hold Annual Meetings**

(1) A reporting issuer that is required by corporate law to hold annual meetings of holders of its securities is exempt from the requirement of securities legislation to send an interim financial statement to registered holders of its securities if the reporting issuer,

(a) before the coming into force of this Instrument, sent a return card in accordance with NP 41 with the proxy-related materials for a meeting of the holders of its securities, permitting the holder to request that the holder be placed on a list of every person or company that requested the reporting issuer's interim financial statements;

(b) prepared or prepares a list that sets out every person or company that requested its interim financial statements by returning a completed return card to the reporting issuer; and

(c) sends the interim financial statement to each person or company whose name appears on the list prepared under paragraph (b), in accordance with the timing requirements of securities legislation that would otherwise apply for sending the interim financial statement to registered holders of the securities.

(2) The exemption provided in subsection (1) only applies in respect of sending interim financial statements for financial quarters that end during the twelve-month period that commences on the date of the meeting for which the proxy-related materials included a return card in accordance with subsection (1).

**3.2 Issuers That Do Not Hold Annual Meetings**

(1) A reporting issuer that is not required under corporate law to hold annual meetings is exempt from the requirement of securities legislation to send an interim financial statement to registered holders of its securities if the reporting issuer

(a) before the coming into force of this Instrument, sent a return card in accordance with NP 41 with the financial statements or annual report, for a financial year, that it sent to the holders of the securities, permitting the holder to request that the holder be placed on a list of every person or company that requested the reporting issuer's interim financial statements;

(b) prepared or prepares a list that sets out every person or company that requested its interim financial statements by returning a completed return card to the reporting issuer; and

(c) sends the interim financial statement to each person or company whose name appears on the list prepared under paragraph (b) in accordance with the timing requirements of securities legislation that would otherwise apply for sending the interim financial statement to registered holders of the securities.

(2) The exemption provided in subsection (1) only applies in respect of sending interim financial statements for financial quarters that end during the twelve-month period that commences on the date the reporting issuer sent the financial statements or annual report, for a financial year, together with the return card in accordance with subsection (1).

**PART 4 EFFECTIVE DATE**

**4.1 Effective Date of Instrument** - This Instrument comes into force on July 1, 2002.

# Chapter 6

# Request for Comments

### 6.1.1 Republication for Comment of Proposed Multilateral Instrument 31-102 and Companion Policy 31-102CP, National Registration Database (NRD)

**Republication for Comment of Proposed**
**Multilateral Instrument 31-102**
**and Companion Policy 31-102CP**
**National Registration Database (NRD)**

**Introduction**

The members of the Canadian Securities Administrators (CSA) are republishing for comment proposed Multilateral Instrument 31-102 and Companion Policy 31-102CP *National Registration Database*.

The proposed multilateral instrument is expected to be adopted as a rule in each of British Columbia, Alberta, Manitoba, Ontario and Nova Scotia, as a commission regulation in Saskatchewan and as a policy in all other jurisdictions represented by the CSA other than Québec. The proposed multilateral instrument and companion policy are not being proposed for adoption at this time by the Commission des valeurs mobilières du Québec (the "CVMQ").

**Purpose**

The proposed instrument requires that certain registration information be submitted to regulators electronically through the National Registration Database (NRD) and that fees paid in respect of registration and the use of the NRD are paid through NRD.

**Background**

On December 14, 2001, the CSA published for comment earlier drafts of the proposed instrument and companion policy. During the comment period, we received 15 submissions. A summary of these comments, together with our responses, is contained in Appendix A to this notice. After reviewing the comments and further considering the instrument and companion policy, we are proposing a number of amendments to the 2001 drafts.

For additional background information on the proposed instrument and companion policy as well as a detailed summary of the contents of the 2001 drafts, please refer to the notice that was published with those drafts.

**Summary of Changes**

This section describes the substantive changes made to the proposed instrument and companion policy since the 2001 drafts were published for comment.

Subsection 6.1(2) of the proposed instrument has been added to require that during the application of the temporary hardship exemption a notice of a change to Form 33-109F4 information must be made in Form 33-109F5.

Under Part 8, the definition of “NRD launch date” has been removed. The launch of NRD is expected to occur on November 25, 2002 and the proposed instrument includes this date.

The definition of “data transfer date” has also been removed from Part 8. Sections 8.4, 8.5 and 8.9 have been amended so that this definition is no longer required.

In response to the request of commentators, sections 8.4, 8.6 and 8.9 have been amended to provide that certain submissions are due within 30 business days of the firm’s NRD access date instead of within 15 business days. These sections have also been amended to clarify that certain information of individuals is to be submitted to the database if it does not appear on NRD on a firm’s NRD access date.

In response to the concerns expressed by commentators, section 8.5 has been amended to delay until March 2004 the requirement on firms to input Forms 33-109F4 for their registered and non-registered individuals who appear on NRD on a firm’s

NRD access date. This section has also been amended to reduce by half the number of Forms 33-109F4 required each month. In consideration of RRSP season, the section does not require any submissions in January and February 2005.

The proposed instrument is scheduled to come into force on November 20, 2002, instead of September 1, 2002 as was proposed in the 2001 draft. This delay is to accommodate a second comment period.

The proposed companion policy has been amended to provide that an AFR is acting as the NRD filer's agent when making a submission on behalf of a firm or individual. This change is to clarify that it is the responsibility of firms and individuals to ensure that submissions made on their behalf are accurate.

**Request for Comments**

Interested parties are encouraged to make comments on the proposed instrument and companion policy. Please submit your comments in writing on or before August 15, 2002.

Address your submission to the CSA member commissions listed below:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
The Manitoba Securities Commission
Ontario Securities Commission
Office of the Administrator, New Brunswick
Registrar of Securities, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland
Registrar of Securities, Northwest Territories
Registrar of Securities, Nunavut
Registrar of Securities, Yukon Territory

Deliver your comments only to the following address:

c/o 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 securities legislation in certain provinces requires a summary of written comments received during the comment period be published, confidentiality of submissions cannot be maintained.

**Questions**

Please refer your questions to any of:

Dirk de Lint
Legal Counsel
Ontario Securities Commission
(416) 593-8090
ddelint@osc.gov.on.ca

Kathleen Blevins
Legal Counsel
Alberta Securities Commission
(403) 297-3308
kathleen.blevins@seccom.ab.ca

Anthony Wong
Senior Legal Counsel, Legal and Market Initiatives
British Columbia Securities Commission
(604) 899-6777
awong@bcsc.bc.ca

The text of the proposed instrument and companion policy follow.

DATED: June 14, 2002

**Appendix "A"**
**Comment Table**
**Multilateral Instrument 31-102 *National Registration Database***

**Commentators**

Scotiabank Wealth Management Group
Investment Funds Institute of Canada
Manulife Securities International Ltd.
Royal Bank of Canada and affiliates
Dundee Private Investors
The Toronto Dominion Bank
Canadian Bankers Association
Dundee Securities Corporation
Edward Jones
BMO Nesbitt Burns
Berkshire Investment Group Inc.
Credit Suisse First Boston Canada Inc.
National Bank Financial
Mutual Fund Dealers Compliance Officers Forum
McCarthy Tétrault

| | Category | Comment | Response |
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| 1. | 31-102 Fees | If the fees are being applied to pay the costs of developing NRD, then such fees should be substantially reduced after a prescribed period of time. | The CSA anticipates that once the costs of developing NRD have been paid NRD fees will be set at an amount that will cover the costs of maintaining and upgrading the system. At this time the CSA is unable to confirm whether this will result in a reduction in the NRD fees. |
| 2. | 31-102 Fees | The submission fees and filer fees for individual non-resident filings and non-registered individuals should be reduced to reflect the value for the responsible dealer.<br><br>NRD can recover the costs through enrolment fees based on the number of registered individuals under the dealer's sponsorship | The CSA is of the view that the NRD fees charged in respect of non-resident individuals should be roughly equivalent to fees charged in respect of resident registered individuals because the benefits to industry of making submissions for these individuals through NRD should be equivalent.<br><br>The benefits of making NRD submissions for non-registered individuals should be equivalent to the benefits of making NRD submissions for registered individuals.<br><br>The enrolment fee is a one-time fee that is charged when a firm enrols to use NRD. The other NRD fees (i.e., the submission fee and the annual NRD fee) are intended to reflect a firm's use of the system. If only the enrolment fee were charged, NRD fees would not reflect a firm's changing size and consequently the changing use the firm would make of NRD. |
| 3. | 31-102 Fees | The Notice to Multilateral Instrument 31-102 explains that a firm will be required to pay, in addition to the fees currently prescribed under securities legislation, $75 for each individual who is applying for registration in a single jurisdiction and $50 for each additional jurisdiction for which an individual has applied to register. Currently, new registrants are charged approximately $250 annually in each province in which they are registered. The $75 submission fee should be a | Charging an annual fee for each individual will help ensure that the development costs of NRD are paid within a reasonable period of time. The CSA is of view that the benefits to industry of NRD exceed the proposed costs of the system. |

| | Category | Comment | Response |
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| | | one-time fee and not charged annually as a filer fee on top of the standard $250 registration fee. To do otherwise, represents almost a 35% increase in these fees. | |
| 4. | 31-102 Fees | Why are the fees for registered individuals and non-registered individuals different? | The CSA is reconsidering whether fees for registered and non-registered individuals should be different. If the proposed fees (set out in the December 14, 2001 notice) change, the CSA will publish a notice describing the new proposed fees. |
| 5. | 31-102 Fees | The $50 NRD fee charged for each additional jurisdiction in which an individual is registered is onerous. | The CSA is of the view that fees should be greater in respect of individuals submitting information to multiple jurisdictions since NRD will benefit these individuals more than individuals who are only submitting information to a single regulator.<br><br>The CSA is of view that the benefits to be derived by individuals submitting materials to multiple regulators exceed the proposed fees to those individuals. |
| 6. | 31-102 Fees | Firms should not be charged for individuals who are terminated within four weeks after the December 15th annual renewal payment date. Advanced notice to regulators of such terminations is not practical because a dealer generally is not aware that an individual is leaving the firm until they have left. | The annual fee payment date will be moved to December 31. Those jurisdictions that will maintain a renewal system will have an annual renewal date of December 31. Given that fee payment and renewal will occur on the same date, refunds will not be given for individuals who leave a firm after the renewal date.<br><br>Because there is no "renewal date" under a permanent registration system (only a suspension date if fees are not paid), the CSA disagree that a jurisdiction that has implemented a permanent registration system should refund a firm if individuals leave the firm after the annual fee payment date but before the suspension date. |
| 7. | 31-102 Fees | Despite the benefits listed in the OSC's economist's report, there are concerns that the benefits and value to industry do not justify the cost of NRD, especially since the costs are being borne by industry.<br><br>The operational efficiencies that will be derived from NRD do not warrant the registration fee increases imposed on industry by NRD. | The CSA has reviewed the survey conducted by the Chief Economist's Office of the Ontario Securities Commission and is of view that the benefits to industry of NRD exceed the proposed costs of the system. |
| 8. | 31-102 Fees | The cost of NRD should be borne by the regulators because it will be used by them to execute their obligations and systematize their procedures. Rather than imposing NRD fees in addition to existing registration fees, the existing registration fees should be used to pay the costs of NRD.<br><br>Since NRD is aimed at upgrading the technology and processes of the regulators, the cost of NRD should be first paid from the savings gained by regulators before levying fees upon industry to | To submit and maintain current and accurate registration information is the obligation of registrants. Given the benefits that industry is expected to derive from such functionality as the electronic filing and storage of registration information, the CSA is of the view that the proposed NRD fees are reasonable.<br><br>Only after NRD is operational will the CSA be able to determine whether savings derived from the system will permit the reduction of regulatory fees. |

| | Category | Comment | Response |
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| | | recover the cost of NRD.<br><br>Industry should not have to pay the cost of NRD. The regulators should use the registration fees to pay for it since the establishment and maintenance of NRD is for the fulfilment of the regulators' obligations. | |
| 9. | 31-102 | In Part 1.1, the inclusions of definitions of "NRD number" and "NRD Account" (in order to identify the account designated under Part 3.2 (c)) would be helpful. In addition, the words "through NRD" in Parts 5.1 (1), 5.2 (1) and 5.3 (1) should be replaced with "from the filer's NRD Account". | Staff have added definitions for these terms to MI 31-102. Staff did not make the second requested change as, in the opinion of Staff, the provision is clear. Staff did, however change (2) of these provisions to reference the firm filer's NRD account |
| 10. | 31-102 | In Part 4.2 (b) (ii) replace "any" with "a" | Subsection 4.2(b)(ii) of MI 31-102 stipulates that in order to use NRD a firm filer must deliver to the NRD administrator "*any* Form 31-102F2 completed under section 4.2". MI 31-102 does not stipulate that "*a* Form 31-102F2" be delivered to the NRD administrator as such a form will not always be required before a firm filer can use NRD. |
| 11. | 31-102 | In Part 4.4 (2) reference is made to "any change to the contact information previously submitted" while in Part 4.3 reference is made to "of a change to the information" as triggering an obligation to provide a completed Form 31-102F3 and Form 31-102F1 respectively. Was it intended to differentiate between information and contact information? If so, what information on Form 31-102F3 is "contact information"? | "Information" as referenced in subsection 4.3 includes any information on the Form 31-102F1 save for the legal name of the firm and NRD account information. "Contact information" as referenced in subsection 4.4(2) means item 2 of the Form 31-102F3. This form instructs a firm to complete items 1, 2 and 4 if a change to contact information in item 2 occurs. |
| 12. | 31-102 | Consider making reference to Form 33-109F5 with the other listed forms in Section 2.1 or exclude it by specific reference. | Subsection 2.1 only references submissions that are to be made electronically through NRD.<br><br>Changes to an individual's registration information previously submitted on Form 33-109F4 will be made directly to the Form 33-109F4 electronically through NRD. This submission type is referenced in item number 4 of subsection 2.1 of MI 31-102. A Form 33-109F5 will only be used<br><br>a) when an individual filer is required (either under the transition process or the temporary hardship exemption) to notify the securities regulatory authorities or regulators of a change in paper format or<br><br>b) when a firm filer is required to notify the securities regulatory authorities or regulators of a change to its Form 3 information. |
| 13. | 31-102 | Please clarify whether it is the intent of Section 8.7 that firm filers provide notices in regards to changes to Form 4 information that occurred after August 31, 2002, no earlier than October 28, 2002 (presupposing a September 1, 2002 enforcement date). | Currently, November 25, 2002 is the proposed NRD launch date. A firm's NRD access date will not be earlier than the NRD launch date. As such, the earliest NRD access date would be November 25, 2002. Any changes to Form 33-109F4 information by registered individuals (and non-registered individuals) would not have to be |

| | Category | Comment | Response |
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| | | | submitted electronically through NRD any earlier than 15 days after the firm's NRD access date. Please note, however, that pursuant to MI 33-109 a paper filing (a Form 33-109F5) would have to have been made within five business days of most changes to an individual's Form 4 information during this interim period. |
| 14. | 31-102 Temporary Hardship Exemption | The actual time needed to prepare submissions in NRD format as required by the hardship exemption provisions will depend upon the nature of the technical difficulties encountered and the size of the submission that has to be recreated. Since the securities regulatory authorities will already have all of the relevant information in paper format, the time limit should be "as soon as practicable," or alternatively, no later than 10 business days after the unanticipated technical difficulties have been resolved. The proposed 3 business day limit is too short. | Staff agree that 10 business days will be a reasonable amount of time to update the NRD record after the temporary hardship exemption has been employed. MI 31-102 has been amended accordingly.<br><br>If further time is required in extraordinary circumstances, an NRD filer may make an application under section 7.1 of MI 31-102. |
| 15. | 31-102 Termination | The procedures for terminating an employee in one province and in all jurisdictions should be clearly listed so dealers are certain what procedures they must follow. | The concept of "terminating" an individual's employment is distinct from the concepts of "surrendering" or "changing" an individual's individual category. If an individual's employment is terminated then the firm will submit a 33-109F1 Notice of Termination electronically through NRD. A Notice of Termination terminates an individual's employment with a firm in all jurisdictions. If an individual wishes to surrender or change his or her individual category, he or she will submit a Form 33-109F2 Change of Individual Categories electronically through NRD. An individual may change his or her individual category on a jurisdiction by jurisdiction basis.<br><br>For example, if an individual is registered in both Alberta and Ontario, the individual may surrender his or her Alberta registration using a Form 33-109F2 Change of Individual Categories while remaining an Ontario registrant. However, if the individual files a 33-109F1 Notice of Termination, he or she will cease being employed with his or her firm in Alberta *and* Ontario and the individual's registration in both jurisdictions will be suspended.<br><br>The procedures for when and how to submit a Notice of Termination and a Change of Individual Categories electronically through NRD are clearly set out in MI 33-109 and the user interface on the NRD system.<br><br>It should be noted that there may be some confusion between terminations of employment and changes of individual categories because presently, a Uniform Termination Notice is used to notify regulators of both terminations of employment and surrenders or changes to individual categories. |

| | Category | Comment | Response |
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| | | | Please note that individual categories include registration categories and categories of non-registered individuals. |
| 16. | 31-102 Transition | With respect of Section 8.6 and 8.9 it should be possible to make the necessary changes to NRD in instances when the firm filer has submitted an application in writing **prior** to the data transfer date. | If an individual's application for registration or application to change or surrender a registration category has been approved by the data transfer date, that individual's updated record will be on the relevant securities regulatory authorities' legacy systems. Information must be on one or more legacy system to form part of the data transfer.<br><br>If an application is not approved prior to the data transfer date, NRD must be updated directly by the individual upon receipt of confirmation of approval of the change or surrender. This "update" will take the form of Form 33-109F4 completion.<br><br>The securities regulatory authorities will make every effort to ensure that as many pending applications are processed as possible prior to the data transfer date. It is in the best interests of all parties to include as much information as is possible in the data transfer. |
| 17. | 31-102 Transition | Requiring each individual to complete an updated F4 is an unfair regulatory burden that will be costly and time consuming. It will be even more burdensome for larger dealers to accomplish this within a 12-month period. Dealers should have to only review the tombstone information for accuracy and the Regulators should input the required F4 information for existing registrants because they already have the information on file. One firm estimates that it will have to hire 5 additional people and spend $266,000 to comply with the proposed transition rules for all F4s to be updated within 12 months. The regulators should bear the burden and cost of transferring all F4 data to NRD.<br><br>If the regulators transfer the F4 information to NRD, then Dealers could possibly undertake a review to verify the accuracy of certain data transferred by the securities regulatory authorities. The scope of this review would be limited to important and relevant data and exclude non-material historical data, such as the requirement in Item 2 of Form 33-109F4 to provide a 10 year residential history.<br><br>If it is decided that the firms and individuals are required to complete the transfer of F4 information to NRD, then it is suggested that:<br><br>• only new individual registrants and existing ones that transfer their registration be required to submit new F4s;<br><br>• F4 information for existing registrants | NRD is designed to be a complete database of individual registration information rather than a simple information delivery system. NRD was designed as such to bring maximum benefits to industry and the participating CSA. A few of the benefits of a complete database to industry include:<br><br>1. Easy access by firms, directly through an AFR, to the information the securities regulatory authorities hold on firms' registered individuals and non-registered individuals in each relevant jurisdiction. Firms can easily ensure that their records are up to date and accurate.<br><br>2. Easy access by firms' registered and non-registered individuals, directly through an AFR, to the Form 33-109F4 information of those individuals. This access makes it easy for individuals to confirm that they have met their registration information requirements under MI 33-109.<br><br>3. Easy access by firms, directly through an AFR, to the Form 33-109F4 information of potential transferee registrants (with the permission of those registrants).<br><br>4. Easy access by the relevant securities authorities to information about registrants and non-registrants thereby streamlining the approval process for transfer and change of category applications. Ultimately, this will result in quicker turnaround of these applications. |

| | Category | Comment | Response |
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| | | need only be updated as material changes occur in the information and therefore their records will be updated on a "as need basis";<br><br>• the transfer of the information be scheduled for after the RRSP contribution season;<br><br>• there be no transition quotas as set out in s.8.5 of 31-102, only a deadline date that takes into account the resource demands of the larger firms to comply with the requirement;<br><br>• NRD fees be waived or reduced to offset the costs to the firms of getting new F4s from existing registered individuals;<br><br>• the monthly quotas for the 12 month transition schedule take into consideration the size of the dealer. For example, a firm with more than 500 reps should have a range requirement between 5%-10%. A merger and acquisition should not be counted as part of the 12 month completion schedule; and<br><br>• full F4s only be required from individuals requesting registration approval. Existing individual registrants should at most only have to complete items 1 –7, and 9 of F4 | The participating CSA jurisdictions have determined that the database should be populated directly by firms for a number of reasons. Most importantly, compliance audits of firms have indicated that the securities regulatory authorities do not have completely up to date records of firms' registered and non-registered individuals. A number of individuals have been remiss in complying with their statutory obligations to inform the relevant securities authorities of changes to their registration information. In other instances, the record of which registered individuals and non-registered individuals are associated with which firm is incorrect. Ultimately, Form 33-109F4 completion by firms in NRD will give firms and individuals the opportunity to ensure compliance with their obligations.<br><br>Please note that the securities regulatory authorities do not have complete Form 4 information for registrants that obtained registration using the old abbreviated Form 4A.<br><br>As the securities regulatory authorities are self-funding entities, the cost of populating the database will be borne by industry in any event. Form 33-109F4 completion by firms gives each firm the ability to control their proportionate amount of any costs associated with populating the database.<br><br>Some commentators have asked whether an NRD fee reduction or waiver would accompany Form 33-109F4 completion by firms. Please note that there will be no submission fees for Form 33-109F4 completion for **current** registered and non-registered individuals for the sole purpose of populating the database. The NRD set-up and user fees do not relate to Form 33-109F4 completion.<br><br>The CSA are cognizant of the fact that database population by firms is not an insignificant undertaking. As such, the initial draft of the rule staggered the database population period over a ten month timeframe. After considering industry comments and further analysing system capacity, the participating CSA jurisdictions have agreed to lengthen the timeframe for database population. The rule has been revised such that firms will be required to input Form 33-109F4 information for various triggering events only (e.g., transfer applications) for the first year after the launch date. Over the next two years, firms will be required to input Form 33-109F4 information for 5% (rather than the current 10%) of their registered and non-registered individuals each month starting the second month after the implementation of NRD. **Please note, however, that there will be no Form 33-109F4 completion requirements for the months of** |

| | Category | Comment | Response |
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| | | | **January and February. The CSA are sympathetic to the concern that firms will not be able to meet the Form 33-109F4 completion obligations during the peak of the RRSP season.** Ultimately, the database population will be complete within three years of the launch of NRD rather than within 12 months. |
| 18. | 31-102 Transition | Large firms anticipate having many pending applications for registration that are not included in the Data Transfer. Therefore, it will be extremely difficult for such firms to have the pending applicants complete F4s within 15 days of having access to NRD. It is suggested that a minimum of 30 days or staggered submission times based on firm size would be more appropriate. | Staff will endeavour to process as many applications for registration prior to the data transfer date so as to minimize any potential backlog of applications.<br><br>Staff agree, however, that a 30 business day period would be reasonable in the circumstances. MI 31-102 has been amended accordingly. |
| 19. | 31-102 Transition | Please consider developing a process to ensure that the registration data is accurate and up to date prior to the population of the database with tombstone information. Alternatively, please consider a post-implementation phase that would allow for corrections to be made to the records of the securities regulators without triggering unwarranted fees. | The CSA's NRD Transition Committee is concerned about how to best ensure the accuracy of the tombstone information. As such, they are considering different procedures and processes to increase the percentage of accuracy of this information. One suggestion is that some securities regulatory authorities may consider providing each firm with a list of registrants registered in the jurisdiction at least once or twice prior to the data conversion date. The list would include the birth dates of each registrant. Firms would be able to confirm that the information contained on the report is correct. The NRD Transition Committee will update industry on its decisions regarding this issue.<br><br>Otherwise, firms will be required on a no-cost basis to input a Form 33-109F4 for each registrant. Firms should elect to input a Form 33-109F4 for any individuals about whom they are concerned in the first 5% tranche. |
| 20. | 31-102 Transition | The information requirements for existing registered individuals should be abbreviated because they are already registered and are not reapplying for approval and thus have no need to provide information such as their residential and employment history. | NRD is designed to be a complete database of information. As such, the system is not designed for partial Form 33-109F4 completion. |
| 21. | 31-102 Transition s.8.4 | Having only a short period, 15 business days after NRD access date, to confirm the accuracy of NRD information for all business locations will have consequences on operational effectiveness. For example, one firm has over 1,450 locations. It is recommend that a minimum of 30 business days or staggered submission times for Form 33-109F3 based on firm size/number of branch offices would be more appropriate. | Staff agree that a 30 business day period would be reasonable in the circumstances. MI 31-102 has been amended accordingly. |
| 22. | 31-102 Implement-ation | The proposed implementation dates of September, October, November 2002 and January 2003 are the busiest times for registration activity due to the RRSP season and the need for additional registrants. The timing of | The CSA has decided upon an NRD launch date of November 25, 2002. By changing the transition requirements of Multilateral Instrument 31-102, the regulators expect that the burden on industry of launching at this time should be |

| | Category | Comment | Response |
|---|---|---|---|
| | | the Continuing Education reporting requirements and the proposed December 2002 transition to permanent registration add to the burden and risk of implementing NRD at the proposed times. To ease the burden on industry and for an effective implementation of NRD consideration should be given for a Spring 2003 effective date.<br><br>Several commentators supported a pilot or field test prior to the launch of NRD. | significantly reduced.<br><br>At this time the regulators are of the view that given the other testing that will be done on the system prior to its launch a pilot test will not be necessary. |
| 23. | 31-102 Implement-ation | One commentator proposed an October 2002 effective date for small firms and an April 2003 effective date for large firms for the purpose of allowing for a better testing period with manageable groups in the beginning. | Staff has considered implementation plans such as this but have come to the conclusion that they are administratively very complex and that all testing should be finalized prior to the mandated use of the system. |
| 24. | 31-102CP | Section 2.1 should refer to "securities regulatory authorities" as opposed to "securities regulatory authority". | Staff agree with this comment and have revised the MI 31-102 companion policy accordingly. |
| 25. | 31-102F1 | With regard to the Initial Filing under NRD, given that securities regulators are already aware of the legal names of firm filers and firm filers are obliged to notify the securities regulators of any change in their legal name, why is it necessary to provide documentary evidence that confirms the legal name of a firm filer. | The NRD administrator will be provided with a firm's legal name only upon submission of NRD enrolment forms by a firm with the NRD administrator. On occasion, the individual submitting the enrolment forms may not be aware of, or may be misinformed about, the correct legal name of the firm.<br><br>The NRD administrator wants to make certain that all firm legal names entered on NRD are correct. The NRD administrator also wants to confirm that no duplicate firms show up on the system (albeit with slightly different names).<br><br>A simple and economical way to obtain accurate legal name information is to ask for documents such as the articles of incorporation, business registration, etc. |
| 26. | 31-102F1 | With regard to change to Previous Filing please consider replacing the second bullet with "Change in information in section 3" as the reference to "other change to account information" is unclear as no section of the form is entitled account information. This change would be consistent with the language found in the third paragraph of Section 4. Please consider revising the first sentence in Section 4. The phrase "shall complete a Change of Previous Filling to this form" is awkward. A similar change is suggested in the third sentence of this paragraph. | Bullet number two under Previous Filing in Form 31-102F1 has been changed to read "NRD account information." Item number 3 of Form 31-102F1 has been changed to read "NRD Account Information for Electronic Pre-authorized Debit". |
| 27. | 31-102F1 Appendix | In the preamble above section 1, reference is made to the terms and condition of use *above* and below. Which terms and conditions are above? | The opening to the Appendix has been revised to reference the "following terms and conditions". |
| 28. | 31-102F1 Appendix | With respect to the second paragraph in Section 1 the language should be modified such that firm filers are clearly liable only for actions of | The liability provision has been amended to add the word "its" before "AFRs and individual filers". |

| | Category | Comment | Response |
|---|---|---|---|
| | | individual filers who are sponsored by the firm filer. | Please note that a firm's individual filers include its non-registered individuals. These individuals are not sponsored by the firm. |
| 29. | 31-102F1 Appendix | The use of the word "could" in the first sentence of the second paragraph of Section 2 is troublesome as it is impossible for any one to conclude that any particular use could not overburden or impair NRD or the NRD's web site. The test should be based on knowledge or belief that the use would likely damage, disable, overburden or impair. | A firm filer will have to use its judgment to determine whether or not its use of the system could be harmful to the system. Staff have revised the form to include a test that is based on "reasonable belief". |
| 30. | 31-102F1 Appendix | Both the fact that there is to be a penalty for payment for unpaid fees of 1% per month and the fact that it is payable to the NRD Administrator are objectionable. Is the rate to be applied on a per diem basis or is it 1% for any late payment within the first month? | The relationship between a firm filer and the NRD adminstrator is commercial in nature. As such, it is within the NRD administrator's control to charge late penalties. Having said that, NRD is designed to automatically withdraw fees from a firm filer's account through an electronic debit system. As such, fees would only be late if funds are not available in a firm filer's account.<br><br>**Please note that the late payment penalty only applies to NRD user fees payable to the NRD administrator.** |
| 31. | 31-102F1 Appendix | The limitation of liability provisions and disclaimers found in section 6 should be amended such that NRD filers' responsibilities and liabilities are suspended automatically during a system failure. | These terms and conditions by and large relate to the use of NRD. If NRD is not operational, these terms and conditions will, for the most part, not be relevant. |
| 32. | 31-102F1 Appendix | The terms of use can be amended by the NRD Administrator, with CSRA approval, and firms are deemed to accept the new terms by continued use of the system. We note however that firms have no opportunity for input with respect to these amendments and have been given no recourse beyond abandoning use of the system. Use of the NRD is mandatory and "opting out" to avoid terms that are found to be oppressive is not an option. Firms will in fact have no recourse with respect to amendments that they do not agree with. We are of the opinion that a process should be established for approving amendments to the terms of use, and the process should permit industry comment.<br><br>Please indicate whether or not the CSRA will solicit comments from the industry before a proposed amendment is approved and further describe what realistic avenues of recourse will be available to firms who take issue with amendments made to the NRD terms of use | Material changes to the forms must be made following proper legislative procedures. Those procedures include the publication of the forms for comment. |
| 33. | Manual Definitions | Consider changing the definition of "sub-branch" to exclude locations of a firm that do not need to be registered. At present it reads "any location', which is confusing. | This definition will be redrafted for clarity. |
| 34. | Manual Chapter 3 | With regard to Chapter 3 (C) consider providing instructions as to how a firm will be given access | Form 31-102F1 has been revised so that a firm filer will only have to input an NRD number if a |

## 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 and other parties relying on exemptions that they are responsible for the completeness, accuracy, and timely filing of Forms 45-501F1 and 45-501F2, and any other relevant form, pursuant to section 27 of the *Securities Act* and OSC Rule 45-501 ("Exempt Distributions").

**REPORTS OF TRADES SUBMITTED ON FORM 45-501F1**

| Transaction Date | Purchaser | Security | Total Purchase Price ($) | Number of Securities |
|---|---|---|---|---|
| 30-May-2002 | 1519052 Ontario Inc. | 2006186 Ontario Inc. - Common Shares | 0.00 | 54,884,334.00 |
| 31-May-2002 | 8 Purchasers | 3Genius Corporation - Special Warrants | 390,000.00 | 156,000.00 |
| 21-May-2002 | Goodman & Co. | Aeropostale, Inc. - Common Shares | 830,628.00 | 30,000.00 |
| 21-May-2002 | Sprott Asset Management Inc. and Dundee Precious Metals Inc. | Altius Minerals Corporation - Units | 315,000.00 | 300,000.00 |
| 17-Apr-2002 to 24-May-2002 | 14 Purchasers | Arrow Ascendant Fund - Trust Units | 568,700.00 | 52,971.00 |
| 17-May-2002 | Banack Holdings Inc. | Arrow Eagle & Dominion Fund - Trust Units | 30,000.00 | 3,768.00 |
| 24-May-2002 to 31-05-2002 | 4 Purchasers | Arrow Global Multi-Strategy Fund - Trust Units | 262,647.00 | 26,079.00 |
| 24-May-2002 | Henry Quan | Arrow Global Multimanager Fund - Trust Units | 25,000.00 | 2,527.00 |
| 24-May-2002 31-05-2002 | 3 Purchasers | Arrow Goodwood Fund - Trust Units | 126,981.00 | 11,975.00 |
| 24-May-2002 to 31-05-2002 | 7 Purchasers | Arrow Milford Capital Fund - Trust Units | 312,044.00 | 29,368.00 |
| 29-May-2002 | Altamira Management Ltd. | AU Optronics Corp. - Shares | 976,800.00 | 55,000.00 |
| 06-Jun-2002 | John Cullen | Birch Mountain Resources Ltd. - Units | 20,000.00 | 57,142.00 |

| | | | | |
|---|---|---|---|---|
| 27-May-2002 | LionOre Mining International Ltd. | Canada Dominion Resources Limited Partnership V - Common Shares | 127,500.00 | 30,000.00 |
| 27-May-2002 | International Pursuit Corporation | Canada Dominion Resources Limited Partnership V - Convertible Debentures | 316,000.00 | 200,000.00 |
| 27-May-2002 | Rio Narcea Gold Mines;Ltd. | Canada Dominion Resources Limited Partnership V - Special Warrants | 380,000.00 | 200,000.00 |
| 27-May-2002 | LionOre Mining International Ltd. Rio Narcea Gold Mines;Ltd. | Canada Dominion Resources Limited Partnership V - Special Warrants | 711,500.00 | 278,000.00 |
| 31-May-2002 | VentureLink Financial Services Innovation Fund Inc. | Continua Capital Inc. - Common Shares | 300,001.00 | 122.00 |
| 24-May-2002 | Laketon Investment Mgmt | Credit Suisse First Boston Corporation - Common Shares | 7,667.50 | 7,667.50 |
| 23-May-2002 | De Novo Capital | EON Labs, Inc. - Shares | 11,499.00 | 500.00 |
| 31-May-2002 | 9 Purchasers | Fairborne Energy Ltd. - Common Shares | 6,050,000.00 | 3,025,000.00 |
| 24-May-2002 | Sandy Pascuzzi | Galvanic Applied Sciences Inc. - Special Warrants | 51,000.00 | 60,000.00 |
| 10-May-2002 | 3 Purchasers | GDI Global Data Inc. - Common Shares | 994,400.00 | 2,717,000.00 |
| 31-May-2002 | 4 Purchasers | Harbour Capital Canadian Balanced Fund - Trust Units | 2,128,245.00 | 15,915.00 |
| 31-May-2002 | B. Hayland;Barbara Hyland Family Trust | Harbour Capital Foreign Balanced Fund - Trust Units | 1,072,613.00 | 7,685.00 |
| 22-May-2002 | Eric Sprott | Intrepid Minerals Corporation - Units | 250,000.00 | 625,000.00 |
| 28-Mar-2002 | 5 Purchasers | Intrepid Minerals Corporation - Units | 450,000.00 | 1,125,004.00 |
| 27-May-2002 | KBSH Private - Balanced Fund | KBSH Private - Balanced Fund - Units | 320,000.00 | 31,222.56 |
| 27-May-2002 | KBSH Private Balanced Fund | KBSH Private - Balanced Fund - Units | 175,000.00 | 17,074.84 |
| 27-May-2002 | KBSH Private - Balanced Fund | KBSH Private - Balanced Fund - Units | 100,000.00 | 9,757.05 |
| 27-May-2002 | KBSH Private - Balanced Fund | KBSH Private - Balanced Fund - Units | 50,000.00 | 4,878.53 |
| 27-May-2002 | KBSH Private - Canadian Equity | KBSH Private - Canadian Equity - Units | 60,000.00 | 3,961.18 |
| 27-May-2002 | KBSH Private - Fixed Income | KBSH Private - Fixed Income - Units | 200,000.00 | 19,731.65 |

| | | | | |
|---|---|---|---|---|
| 27-May-2002 | KBSH Private - Fixed Income | KBSH Private - Fixed Income - Units | 600,000.00 | 59,194.95 |
| 27-May-2002 | KBSH Private - Global Leading Companies Fund | KBSH Private - Global Leading Companies Fund - Units | 100,000.00 | 10,583.13 |
| 27-May-2002 | KBSH Private - Global Leading Companies Fund | KBSH Private - Global Leading Companies Fund - Units | 40,000.00 | 4,233.25 |
| 27-May-2002 | KBSH Private - Global Leading Companies Fund | KBSH Private - Global Leading Companies Fund - Units | 25,000.00 | 2,645.78 |
| 27-May-2002 | KBSH - Global Leading Companies Fund | KBSH Private - Global Leading Companies Fund - Units | 23,000.00 | 2,434.12 |
| 27-May-2002 | KBSH Private - Global Leading Companies Fund | KBSH Private - Global Leading Companies Fund - Units | 30,000.00 | 3,174.94 |
| 24-May-2002 | KBSH Private - Money Market | KBSH Private - Money Market - Units | 278,394.76 | 27,839.48 |
| 27-May-2002 | Douglas R. Favell | Kelso Technologies Inc. - Common Shares | 20,000.00 | 200,000.00 |
| 24-May-2002 | Allianz Insurance Co. of Canada | Ottawa Macdonald-Cartier International Airport Authority - Bonds | 159,243,092.50 | 19.00 |
| 05-Jun-2002 | 4 Purchasers | Patent Enforcement and Royalties Ltd. - Units | 118,000.00 | 295,000.00 |
| 29-May-2002 | VentureLink Brighter Future (Equity) Fund Inc. | Performance Plants Inc. - Preferred Shares | 1,400,000.00 | 848,485.00 |
| 29-May-2005 | Tuscarora Investment | Ranchgate Oil and Gas Limited - Common Shares | 195,000.00 | 300,000.00 |
| 23-May-2002 | The Toronto-Dominion Bank;Royal Bank of Canada | Skylon High Yield Trust - Units | 9,599,997.01 | 421,902.00 |
| 24-May-2002 | CBC Pension Board of Trustee | Skypoint Telecom Annex Fund - Limited Partnership Units | 767,400.00 | 1,534.00 |
| 26-Apr-2002 | Bank of Montreal and Royal Bank of Canada | Stoneridge, Inc. - Notes | 2,307,000.00 | 1,500.00 |
| 06-Jun-2002 | 4 Purchasers | Talware Networx Inc. - Units | 65,900.00 | 659,000.00 |
| 21-May-2002 | De Novo Capital;TD Waterhouse | Toy "R" Us, Inc. - Common Shares | 525,542.52 | 19,350.00 |
| 22-May-2002 | Synergy Asset Management Inc. | Triple G Systems Group, Inc. - Special Warrants | 8,049,000.00 | 2,781,000.00 |
| 30-May-2002 | 85 Purchasers | Wheaton River Minerals Ltd. - Special Warrants | 49,984,175.00 | 43,464,500.00 |

**RESALE OF SECURITIES - (FORM 45-501F2)**

| Transaction Date | Seller | Security | Total Selling Price | Number of Securities |
|---|---|---|---|---|
| 24-May-2002 | Trinidad Drilling Ltd. | Trinidad Drilling Ltd. - Option | 0.00 | 1.00 |

**NOTICE OF INTENTION TO DISTRIBUTE SECURITIES AND ACCOMPANYING DECLARATION UNDER SECTION 2.8 OF MULTILATERAL INSTRUMENT 45-102 RESALE OF SECURITIES - FORM 45-102F3**

| Seller | Security | Number of Securities |
|---|---|---|
| Taronga Holdings Limited | Extendicare Inc. - Shares | 42,900.00 |
| Kingfield Investments Limited | Extendicare Inc. - Shares | 42,900.00 |
| Kingfield Holdings Limited | Extendicare Inc. - Shares | 63,900.00 |
| Jayset Capital Corp. | FirstService Corporation - Shares | 150,000.00 |
| Sprott Asset Management Inc. | High River Gold Mines Ltd. - Common Shares | 1,785,600.00 |
| Newton Gengerich | Staront Technologies Inc. - Common Shares | 600,000.00 |

## Chapter 11

# IPOs, New Issues and Secondary Financings

**Issuer Name:**
Boston Pizza Royalties Income Fund
Principal Regulator - British Columbia
**Type and Date:**
Preliminary Prospectus dated June 10th, 2002
Mutual Reliance Review System Receipt dated June 11th, 2002
**Offering Price and Description:**
$ * - * Units @$10.00 per Unit
**Underwriter(s) or Distributor(s):**
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
Raymond James Ltd.
**Promoter(s):**
Boston Pizza International Inc.
**Project** #458472

**Issuer Name:**
Canadian 88 Energy Corp.
Principal Regulator - Alberta
**Type and Date:**
Preliminary Short Form Prospectus dated June 5th, 2002
Mutual Reliance Review System Receipt dated June 5th, 2002
**Offering Price and Description:**
$72,219,560 - 25,792,700 Common Shares @$2.80 per Offered Share
**Underwriter(s) or Distributor(s):**
CIBC World Markets Inc.
TD Securities Inc.
**Promoter(s):**
-
**Project** #457578

**Issuer Name:**
Canadian Real Estate Investment Trust
Principal Regulator - Ontario
**Type and Date:**
Preliminary Short Form Prospectus dated June 11th, 2002
Mutual Reliance Review System Receipt dated June 11th, 2002
**Offering Price and Description:**
$66,000,000 - 5,000,000 Units @ $13.20 per Unit
**Underwriter(s) or Distributor(s):**
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Raymond James Ltd.
**Promoter(s):**
-
**Project** #458570

**Issuer Name:**
Clearwater Seafoods Income Fund
Principal Regulator - Nova Scotia
**Type and Date:**
Preliminary Prospectus dated June 11th, 2002
Mutual Reliance Review System Receipt dated June 11th, 2002
**Offering Price and Description:**
$ * - * Units @ $10.00 per Unit
**Underwriter(s) or Distributor(s):**
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
Yorkton Securities Inc.
Beacon Securities Limited
**Promoter(s):**
Clearwater Fine Foods Incorporated
**Project** #458697

**Issuer Name:**
CP Ships Limited
Principal Regulator - Alberta
**Type and Date:**
Amended and Restated Preliminary Short Form PREP Prospectus dated June 7th, 2002
Mutual Reliance Review System Receipt dated June 7th, 2002
**Offering Price and Description:**
* Common shares @ C$ * per share
**Underwriter(s) or Distributor(s):**
Morgan Stanley Canada Limited
Salomon Smith Barney Canada Inc.
RBC Dominion Securities Inc.
**Promoter(s):**
-
**Project** #454640

**Issuer Name:**
Crystal Enhanced Index World Fund
Principal Regulator - Ontario
**Type and Date:**
Amendment #1 dated June 4th, 2002 to Preliminary Simplified Prospectus dated April 30th, 2002
Mutual Reliance Review System Receipt dated June 5th, 2002
**Offering Price and Description:**
Class A Units
**Underwriter(s) or Distributor(s):**
Crystal Wealth Management System Limited
**Promoter(s):**
Crystal Wealth Management System Limited
**Project** #441782

**Issuer Name:**
Cubacan Exploration Inc.
Principal Regulator - Alberta
**Type and Date:**
Preliminary Prospectus dated June 7th, 2002
Mutual Reliance Review System Receipt dated June 7th, 2002
**Offering Price and Description:**
Subscription Price: Two Rights and * per unit
Maximum Offering is 39,188,398 Units to raise *
Minimum Offering is 10,000,000 Units to raise *
**Underwriter(s) or Distributor(s):**
-
**Promoter(s):**
-
**Project** #458152

**Issuer Name:**
G.T.C. Transcontinental Group Ltd.
Principal Regulator - Quebec
**Type and Date:**
Preliminary Short Form Prospectus dated June 6th, 2002
Mutual Reliance Review System Receipt dated June 6th, 2002
**Offering Price and Description:**
$138,039,525 - 3,507,993 Class A Subordinate Voting Shares @ $39.35 per Class A Share
**Underwriter(s) or Distributor(s):**
Scotia Capital Inc.
**Promoter(s):**
-
**Project** #457760

**Issuer Name:**
Galvanic Applied Sciences Inc.
Principal Regulator - Alberta
**Type and Date:**
Preliminary Prospectus dated May 31st, 2002
Mutual Reliance Review System Receipt dated May 31st, 2002
**Offering Price and Description:**
$4,250,000 - 2,000,000 Common Shares and 3,000,000 Common Shares issuable upon
the exercise of previously issued Special Warrants
**Underwriter(s) or Distributor(s):**
Woodstone Capital Inc.
**Promoter(s):**
-
**Project** #456493

**Issuer Name:**
InnVest Real Estate Investment Trust
Principal Regulator - Ontario
**Type and Date:**
Preliminary Prospectus dated June 6th, 2002
Mutual Reliance Review System Receipt dated June 10th, 2002
**Offering Price and Description:**
$ * - * Units @ $10.00 per Unit
**Underwriter(s) or Distributor(s):**
RBC Dominion Securities Inc.
Goldman Sachs Canada Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
Raymond James Ltd.
**Promoter(s):**
Whitehall Street Real Estate Limited Partnership XI
Maple Leaf Investment Holdings, L.P.
Maple Leaf Investments, L.P.
**Project** #458206

**Issuer Name:**
Kingsway Financial Services Inc.
Principal Regulator - Ontario
**Type and Date:**
Preliminary Short Form Prospectus dated June 6th, 2002
Mutual Reliance Review System Receipt dated June 7th, 2002
**Offering Price and Description:**
* Common Shares @ $* per share
**Underwriter(s) or Distributor(s):**
CIBC World Markets Inc.
Scotia Capital Inc.
Raymond James Ltd.
**Promoter(s):**
-
**Project** #457827

**Issuer Name:**
Miramar Mining Corporation
Principal Regulator - British Columbia
**Type and Date:**
Preliminary Short Form Prospectus dated May 31st, 2002
Mutual Reliance Review System Receipt dated June 5th, 2002
**Offering Price and Description:**
$30,000,000 - 12,500,000 Units (Each Consisting of One Common Share and One-Half of One Warrant) and 2,500,000 Flow-Through Common Shares @$2.00 per Unit and $2.00 per Flow-Through Common Share
**Underwriter(s) or Distributor(s):**
Canaccord Capital Corporation
Dundee Securities Corporation
BMO Nesbitt Burns Inc.
Griffiths McBurney & Partners
First Associates Investments Inc.
Salman Partners Inc.
**Promoter(s):**
-
**Project** #457309

**Issuer Name:**
Network Natural Gas Company Ltd.
Principal Regulator - Alberta
**Type and Date:**
Preliminary Prospectus dated June 6th, 2002
Mutual Reliance Review System Receipt dated June 7th, 2002
**Offering Price and Description:**
$28,000,000 to $60,000,000 - 2.8 to 6 Million Flow Through Common Shares @$11.00 per Investment Unit
**Underwriter(s) or Distributor(s):**
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Yorkton Securities Inc.
Jennings Capital Inc.
Octagon Capital Corporation
Peters & Co. Limited
**Promoter(s):**
NCI Management Ltd.
**Project** #458114

**Issuer Name:**
Network Natural Gas Income Trust
Principal Regulator - Alberta
**Type and Date:**
Preliminary Prospectus dated June 6th, 2002
Mutual Reliance Review System Receipt dated June 7th, 2002
**Offering Price and Description:**
$28,000,000 to $60,000,000 - 2.8 to 6 Million Flow Through Common Shares @$11.00 per Investment Unit
**Underwriter(s) or Distributor(s):**
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Yorkton Securities Inc.
Jennings Capital Inc.
Octagon Capital Corporation
Peters & Co. Limited
**Promoter(s):**
NCI Management Ltd.
**Project** #458133

**Issuer Name:**
Northgate Exploration Limited
Principal Regulator - British Columbia
**Type and Date:**
Preliminary Short Form Prospectus dated June 10th, 2002
Mutual Reliance Review System Receipt dated June 10th, 2002
**Offering Price and Description:**
$85,000,000 - 41,463,415 Common Shares and Up to 13,821,138 Common Shares Purchase Warrants
@ $2.05 per Unit
**Underwriter(s) or Distributor(s):**
Griffiths McBurney & Partners
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
CIBC World Markets Inc.
TD Securities Inc.
Trilon Securities Corporation
Dundee Securities Corporation
Haywood Securities Inc.
**Promoter(s):**
-
**Project** #458351

**Issuer Name:**
Optipress Inc.
Principal Regulator - Nova Scotia
**Type and Date:**
Preliminary Prospectus dated June 6th, 2002
Mutual Reliance Review System Receipt dated June 7th, 2002
**Offering Price and Description:**
* Common Shares @ $* per share
**Underwriter(s) or Distributor(s):**
Griffiths McBurney & Partners
Scotia Capital Inc.
TD Securities Inc.
Beacon Securities Limited
**Promoter(s):**
Newcap Inc.
Cameron Publications Limited
**Project** #457915

**Issuer Name:**
Prime Restaurants Royalty Income Fund
Principal Regulator - Ontario
**Type and Date:**
Preliminary Prospectus dated June 6th, 2002
Mutual Reliance Review System Receipt dated June 7th, 2002
**Offering Price and Description:**
* Units @ $10.00 per unit
**Underwriter(s) or Distributor(s):**
RBC Dominion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
**Promoter(s):**
Prime Restaurant Group Inc.
**Project** #457816

**Issuer Name:**
Roseland Resources Ltd.
Principal Regulator - Alberta
**Type and Date:**
Preliminary Prospectus dated June 3rd, 2002
Mutual Reliance Review System Receipt dated June 4th, 2002
**Offering Price and Description:**
Offer of Rights to Subscribe for up to * Common Shares at a Price of $0. * per Common Share
**Underwriter(s) or Distributor(s):**
-
**Promoter(s):**
-
**Project** #457203

**Issuer Name:**
SouthernEra Resources Limited
Principal Regulator - Ontario
**Type and Date:**
Preliminary Short Form Prospectus dated June 7th, 2002
Mutual Reliance Review System Receipt dated June 7th, 2002
**Offering Price and Description:**
$36,250,000 - 5,000,000 Common Shares @ $7.25 per Common Share
**Underwriter(s) or Distributor(s):**
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Haywood Securities Inc.
Sprott Securities Inc.
First Associates Investments Inc.
**Promoter(s):**
-
**Project** #458053

**Issuer Name:**
VHQ Entertainment Inc.
Principal Regulator - Alberta
**Type and Date:**
Preliminary Prospectus dated June 6th, 2002
Mutual Reliance Review System Receipt dated June 7th, 2002
**Offering Price and Description:**
$ * per unit
Maximum Offering: $10,000,000 (* Units)
Minimum Offeting: $4,000,000 (* Units)
Each Units consists of 1 Common Share and 1/2 Common Share purchase warrant which are not
separable unit after a date to be determine by the Corporation and the Agents
(the "Record and Distribution Date") which will not be later than *, 2002
**Underwriter(s) or Distributor(s):**
Desjardins Securities Inc.
First Associates Investments Inc.
**Promoter(s):**
-
**Project** #458115

**Issuer Name:**
Brascan Corporation
Principal Regulator - Ontario
**Type and Date:**
Amendment #1 dated June 7th, 2002 to Short Form Shelf Prospectus dated November 29th, 2001
Mutual Reliance Review System Receipt dated 11th day of June, 2002
**Offering Price and Description:**
Increased Form US$500,000,000 to US$900,000,000 Debt Securities
**Underwriter(s) or Distributor(s):**
-
**Promoter(s):**
-
**Project** #396211

**Issuer Name:**
Clarica High Yield Bond Fund
Clarica Global Science & Technology Fund
Clarica Global Large Cap Value Fund
Clarica Conservative Balanced Fund
Clarica Canadian Large Cap Value Fund
Clarica Balanced Fund
Clarica Asia and Pacific Rim Equity Fund
Clarica Growth Fund
Clarica RSP U.S. Technology Index Fund
Clarica RSP U.S. Equity Index Fund
Clarica RSP Japanese Index Fund
Clarica RSP International Index Fund
Clarica RSP European Index Fund
Clarica Canadian Equity Index Fund
Clarica Bond Index Fund
Principal Regulator - Ontario
**Type and Date:**
Amendment #1 dated May 28th, 2002 to Simplified Prospectus and Annual Information Form dated December 18th, 2001
Mutual Reliance Review System Receipt dated 6th day of June, 2002
**Offering Price and Description:**
Mutual Fund Securities Net Asset Value
**Underwriter(s) or Distributor(s):**
Clarica Investco Inc.
**Promoter(s):**
-
**Project** #398929

**Issuer Name:**
Clarica US Growth Equity Fund
Clarica US Small Cap Fund
Clarica Canadian Growth Equity Fund
Clarica European Equity Fund
Clarica Income Fund
Clarica Global Bond Fund
Clarica Short Term Bond Fund
Clarica Summit Growth and Income Fund
Clarica Summit Foreign Equity Fund
Clarica Summit Canadian Equity Fund
Clarica Summit Dividend Growth Fund
Clarica Alpine Growth Equity Fund
Clarica Alpine Canadian Resources Fund
Clarica Alpine Asian Fund
Clarica Premier Mortgage Fund
Clarica Premier International Fund
Clarica Canadian Small/Mid Cap Fund
Clarica Premier Emerging Markets Fund
Clarica Canadian Diversified Fund
Clarica Premier Bond Fund
Clarica Canadian Blue Chip Fund
Clarica Premier American Fund
Clarica Money Market Fund
Clarica Equifund
Clarica Diversifund 40
Clarica Bond Fund
Clarica Amerifund
Principal Regulator - Ontario
**Type and Date:**
Amendment #1 dated May 28th, 2002 to the Amended and Restated Simplified Prospectus and Annual Information Form dated December 18th, 2001, amending and restating the Simplified Prospectus and Annual Information dated August 29th, 2001
Mutual Reliance Review System Receipt dated 6th day of June, 2002
**Offering Price and Description:**
Mutual Fund Securities Net Asset Value
**Underwriter(s) or Distributor(s):**
Clarica Investco Inc.
**Promoter(s):**
Clarica Diversico Ltd.
**Project** #376683

**Issuer Name:**
Crystal Enhanced Index RSP Fund
Principal Regulator - Ontario
**Type and Date:**
Amendment #3 dated June 4th, 2002 to Simplified Prospectus and Annual Information Form dated June 7th, 2001
Mutual Reliance Review System Receipt dated 10th day of June, 2002
**Offering Price and Description:**
Mutual Fund Securities Net Asset Value
**Underwriter(s) or Distributor(s):**
Crystal Wealth Management System Limited
**Promoter(s):**
-
**Project** #353801

**Issuer Name:**
GGOF Alexandria Canadian Growth Fund
Principal Regulator - Ontario
**Type and Date:**
Amendment #4 dated June 3rd, 2002 to Simplified Prospectus and Annual Information Form dated September 24th, 2001
Mutual Reliance Review System Receipt dated 10th day of June, 2002
**Offering Price and Description:**
Mutual Fund Units
**Underwriter(s) or Distributor(s):**
Guardian Group of Funds Ltd.
**Promoter(s):**
Guardian Group of Funds Ltd.
**Project** #377100

**Issuer Name:**
GGOF Alexandria Canadian Growth Fund
Principal Regulator - Ontario
**Type and Date:**
Amendment #3 dated June 3rd, 2002 to Simplified Prospectus and Annual Information Form dated December 12th, 2001
Mutual Reliance Review System Receipt dated 10th day of June, 2002
**Offering Price and Description:**
(Class F Units)
**Underwriter(s) or Distributor(s):**
Guardian Group of Funds Ltd.
**Promoter(s):**
Guardian Group of Funds Ltd.
**Project** #402625

**Issuer Name:**
Spectrum Savings Fund
Principal Regulator - Ontario
**Type and Date:**
Amendment #1 dated May 24th, 2002 to Simplified Prospectus and Annual Information Form dated May 24th, 2002
Mutual Reliance Review System Receipt dated 6th day of June, 2002
**Offering Price and Description:**
Mutual Fund Securities Net Asset Value
**Underwriter(s) or Distributor(s):**
-
**Promoter(s):**
-
**Project** #439626

**Issuer Name:**
Synergy Extreme Canadian Equity Fund
Principal Regulator - Ontario
**Type and Date:**
Amendment #1 dated June 5th, 2002 to Simplified Prospectus and Annual Information Form dated August 24th, 2001
Mutual Reliance Review System Receipt dated 10th day of June, 2002
**Offering Price and Description:**
Mutual Fund Securities Net Asset Value
**Underwriter(s) or Distributor(s):**
Synergy Asset Management Inc.
**Promoter(s):**
-
**Project** #375279

**Issuer Name:**
TSO3 inc.
Principal Regulator - Quebec
**Type and Date:**
Amendment #1 dated June 4th, 2002 to Prospectus dated May 17th, 2002
Mutual Reliance Review System Receipt dated 6th day of June, 2002
**Offering Price and Description:**
$10,000,000 - * Common Shares @ $2.15 per Common Share
**Underwriter(s) or Distributor(s):**
National Bank Financial Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
**Promoter(s):**
-
**Project** #437296

**Issuer Name:**
Environmental Management Solutions Inc.
Principal Regulator - Ontario
**Type and Date:**
Final Prospectus dated May 29th, 2002
Mutual Reliance Review System Receipt dated 4th day of June, 2002
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
Canaccord Capital Corporation
**Promoter(s):**
Frank D' Addario
Martin K. Payne
Eli D. Turk
Jean-Pierre Soubliere
**Project** #434077

**Issuer Name:**
MAXXCOM INC.
Principal Regulator - Ontario
**Type and Date:**
Final Prospectus dated May 31st 2002
Mutual Reliance Review System Receipt dated 5th day of June, 2002
**Offering Price and Description:**
$33,681,697.00 - Rights to subscribe for up to 21,051 Common Shares @$1.60 per Share
**Underwriter(s) or Distributor(s):**
Griffiths McBurney & Partners
**Promoter(s):**
MDC Corporation Inc.
**Project** #444007

**Issuer Name:**
Central Fund of Canada Limited
Principal Regulator - Alberta
**Type and Date:**
Final Short Form MJDS Prospectus dated June 6th, 2002
Mutual Reliance Review System Receipt dated 6th day of June, 2002
**Offering Price and Description:**
Cdn.$74,489,363.80 Non-Voting, Fully-participating Class A Shares @Cdn.$6.43 per Non-Voting, Fully-participating Class A Shares
**Underwriter(s) or Distributor(s):**
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Pollitt & Co. Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Sprott Securities Inc.
Yorkton Securities Inc.
**Promoter(s):**
-
**Project** #453198

**Issuer Name:**
ProMetic Life Sciences Inc.
Principal Regulator - Quebec
**Type and Date:**
Final Short Form Prospectus dated June 10th, 2002
Mutual Reliance Review System Receipt dated 10th day of June, 2002
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
Dundee Securities Corporation
National Bank Financial Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
**Promoter(s):**
-
**Project** #456684

**Issuer Name:**
REPADRE CAPITAL CORPORATION
Principal Regulator - Ontario
**Type and Date:**
Final Short Form Prospectus dated June 7th, 2002
Mutual Reliance Review System Receipt dated 7th day of June, 2002
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
BMO Nesbitt Burns Inc.
Merrill Lynch Canada Inc.
Dundee Securities Corporation
TD Securities Inc.
Research Capital Corporation
**Promoter(s):**
-
**Project** #454977

**Issuer Name:**
Retirement Residences Real Estate Investment Trust
Principal Regulator - Ontario
**Type and Date:**
Final Short Form Prospectus dated June 7th, 2002
Mutual Reliance Review System Receipt dated 7th day of June, 2002
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Raymond James Ltd.
HSBC Securities (Canada) Inc.
**Promoter(s):**
-
**Project** #456218

**Issuer Name:**
Shoppers Drug Mart Corporation
Principal Regulator - Ontario
**Type and Date:**
Final Short Form Prospectus dated June 5th, 2002
Mutual Reliance Review System Receipt dated 5th day of June, 2002
**Offering Price and Description:**
$* - 25,000,000 Common Shares @$*.* per Common Share
**Underwriter(s) or Distributor(s):**
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
Credit Suisse First Boston Canada Inc.
TD Securities Inc.
National Bank Financial Inc.
**Promoter(s):**
-
**Project** #452767

**Issuer Name:**
Sun Life Assurance Company of Canada
Principal Regulator - Ontario
**Type and Date:**
Final Short Form Shelf Prospectus dated June 6th, 2002
Mutual Reliance Review System Receipt dated 6th day of June, 2002
**Offering Price and Description:**
$2.000,000.00 - subordinated Debt Securities (Unsecured) Preferred Shares
**Underwriter(s) or Distributor(s):**
-
**Promoter(s):**
-
**Project** #448359

**Issuer Name:**
The Thomson Corporation
Principal Regulator - Ontario
**Type and Date:**
Final Short Form Prospectus dated June 11th, 2002
Mutual Reliance Review System Receipt dated 11 day of June, 2002
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
Merrill Lynch Canada Inc.
Morgan Stanley Canada Limited
RBC Dominion Securities Inc.
Credit Suisse First Boston Canada Inc.
Goldman Sachs Canada Inc.
TD Securities Inc.
UBS Bunting Warburg Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
**Promoter(s):**
-
**Project** #442514

**Issuer Name:**
Union Gas Limited
Principal Regulator - Ontario
**Type and Date:**
Final Short Form Shelf Prospectus dated May 31st, 2002
Mutual Reliance Review System Receipt dated 4th day of June, 2002
**Offering Price and Description:**
$400,000,000.00 - Debt Securities (unsecured)
**Underwriter(s) or Distributor(s):**
-
**Promoter(s):**
-
**Project** #452574

**Issuer Name:**
Jones Heward Fund Ltd.
(Shares)
Jones Heward American Fund
Jones Heward RSP American Fund
(Units)
Principal Regulator - Ontario
**Type and Date:**
Final Simplified Prospectus and Annual Information Form dated May 31st, 2002
Mutual Reliance Review System Receipt dated 5th day of June, 2002
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
Jones Heward Investment Counsel Inc.
Jones Heward Investment Management Inc.
**Promoter(s):**
-
**Project** #442015

**Issuer Name:**
Keystone Altamira E-Business Capital Class
Keystone Altamira Global Equity Capital Class
Keystone Altamira Science and Technology Capital Class
(Series A,F, I,O and R)
Keystone Altamira RSP Science and Technology Fund
Keystone Altamira RSP Global Equity Fund
Keystone Altamira RSP e-business Fund
Keystone Altamira Equity Fund
Keystone Altamira Capital Growth Fund
Keystone Premier Global Elite 100 Capital Class
Keystone Premier Euro Elite 100 Capital Class
Keystone Premier RSP Global Elite 100 Fund
Keystone Premier RSP Euro Elite 100 Fund
Keystone Premier Global Elite 100 Fund
Keystone Premier Euro Elite 100 Fund
Keystone Spectrum Equity Fund
Keystone Spectrum American Fund
Keystone AIM Trimark Global Equity Fund
Keystone AIM Trimark Canadian Equity Fund
Keystone Saxon Smaller Companies Fund
Keystone C.I. Signature High Income Fund
Keystone Beutel Goodman Bond Fund
Keystone AGF Equity Fund
Keystone AGF Bond Fund
Keystone AGF American Fund
(Series A,F,I and O)
Principal Regulator - Ontario
**Type and Date:**
Final Simplified Prospectus and Annual Information Form dated May 29th, 2002
Mutual Reliance Review System Receipt dated 4th day of June, 2002
**Offering Price and Description:**
-
**Underwriter(s) or Distributor(s):**
Mackenzie Financial Corporation
**Promoter(s):**
-
**Project** #438482

**Issuer Name:**
Norrep Fund
Principal Regulator - Alberta
**Type and Date:**
Final Simplified Prospectus and Annual Information Form dated June 6th, 2002
Mutual Reliance Review System Receipt dated 7th day of June, 2002
**Offering Price and Description:**
Mutual Fund Securities Net Asset Value
**Underwriter(s) or Distributor(s):**
**Promoter(s):**
-
**Project** #441741

**Issuer Name:**
Templeton European Tax Class
Franklin Japan Tax Class
Templeton International Stock Tax Class
Templeton Growth Tax Class
Templeton Global Smaller Companies Tax Class
Templeton Emerging Markets Tax Class
Templeton Canadian Stock Tax Class
Mutual Beacon Tax Class
Franklin World Telecom Tax Class
Franklin World Health Sciences and Biotech Tax Class
Franklin World Growth Tax Class
Franklin U.S. Small Cap Growth Tax Class
Franklin Templeton U.S. Money Market Tax Class
Franklin U.S. Large Cap Growth Tax Class
Franklin U. S. Aggressive Growth Tax Class
Franklin Technology Tax Class
Bissett Small Cap Tax Class
Bissett Multinational Growth Tax Class
Franklin Templeton Money Market Tax Class
Bissett Canadian Equity Tax Class
Bissett Bond Tax Class
(Series A,F,I and O shares of the above classes of Franklin Templeton Tax Class Corp.)
Franklin World Growth RSP Fund
Franklin World Growth Fund
Bissett Multinational Growth RSP Fund
Bissett American Equity RSP Fund
Franklin Technology RSP Fund
Franklin World Telecom RSP Fund
Franklin World Health Sciences and Biotech RSP Fund
Franklin U.S. Aggressive Growth RSP Fund
Franklin U.S. Large Cap Growth RSP Fund
Mutual Beacon RSP Fund
Franklin Templeton U.S. Money Market Fund
Franklin Technology Fund
Franklin World Telecom Fund
Franklin World Health Sciences and Biotech Fund
Franklin U.S. Small Cap Growth RSP Fund
Franklin U.S. Aggressive Growth Fund
Franklin U.S. Large Cap Growth Fund
Templeton Global Balanced RSP Fund
Bissett Large Cap Fund
Templeton International Stock RSP Fund
Templeton Growth RSP Fund
Templeton Global Smaller Companies RSP Fund
Templeton Emerging Markets RSP Fund
Franklin U.S. Small Cap Growth Fund
Bissett Microcap Fund
Bissett International Equity Fund
Bissett Small Cap Fund
Franklin Templeton Money Market Fund
Bissett Income Fund
Bissett Canadian Equity Fund
Bissett Bond Fund
BISSETT AMERICAN EQUITY FUND
Mutual Beacon Fund
Franklin Templeton Treasury Bill Fund
Templeton Emerging Markets Fund
Templeton Global Smaller Companies Fund
Templeton Global Balanced Fund
Templeton Global Bond Fund

Templeton Canadian Stock Fund
Franklin Templeton Maximum Growth Portfolio
Franklin Templeton Growth Portfolio
(Series A,F,I and O units of the above funds)
Bissett Canadian Balanced Fund
Bissett Multinational Growth Fund
Bissett Dividend Income Fund
Franklin Templeton Balanced Income Portfolio
Franklin Templeton Balanced Growth Portfolio
Templeton Canadian Asset Allocation Fund
Templeton International Stock Fund
(Series A,F,I,O and T units of the above funds)
Templeton Balanced Fund
(Series A)
Templeton Growth Fund, Ltd.
(Series A,F,I and O shares)
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus and Annual Information Form dated May 31st, 2002
Mutual Reliance Review System Receipt dated 10th day of June, 2002

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Franklin Templeton Investments Corp.

**Promoter(s):**

-

**Project** #435468

# Chapter 12

# Registrations

### 12.1.1 Registrants

| Type | Company | Category of Registration | Effective Date |
|---|---|---|---|
| New Registration | Attention: Thomas C. Elliott<br>CMI/Capital Market Investment, LLC<br>460 Park Avenue<br>Suite 801<br>New York NY 10022<br>USA | International Dealer | Jun 10/02 |
| New Registration | Attention: M.E. Clare Cowan<br>Venture Exchange Network Inc.<br>55 Queen Street East<br>Suite 1100<br>Toronto ON M5C 1R6 | Limited Market Dealer | Jun 05/02 |
| Change of Name | Attention: Paul Francis John Black<br>Bellporte Black Investment Management Ltd.<br>89 Queensway W Ste 403<br>Mississauga ON L5B 2V2 | From:<br>Black Investment Management Ltd.<br><br>To:<br>Bellporte Black Investment Management Ltd. | Jan 23/02 |
| Change of Name | Attention: Guy Alexander Gordon<br>UBS Global Asset Management (Canada) Co.<br>77 King street West, Suite 3700<br>PO Box 85 TD Centre Royal Trust Tower<br>Toronto ON M5K 1G8 | From:<br>Brinson Canada Co.<br><br>To:<br>UBS Global Asset Management (Canada) Co. | Apr 08/02 |
| Change of Name | Attention: Michele Daphne Mary McCarthy<br>DB Investment Managers, Inc.<br>c/o Deutsche Bank Canada<br>222 Bay Street Suite 1200<br>Toronto ON M5E 1H6 | From:<br>BT Investment Managers, Inc.<br><br>To:<br>DB Investment Managers, Inc. | Apr 15/02 |
| Change of Name | Attention: W. James Bullock<br>UBS Global Asset Management (Americas) Inc.<br>66 Wellington Street Suite 3600<br>Toronto-Dominion Bank Tower<br>Toronto-Dominion Centre<br>Toronto ON M5K 1N6 | From:<br>Brinson Partners, Inc.<br><br>To:<br>UBS Global Asset Management (Americas) Inc. | Apr 08/02 |
| Change of Name | Attention: G. H. Kissack<br>New Star Institutional Managements Limited<br>Goodman and Carr<br>Barristers and Solicitors<br>200 King St West Suite 2300<br>Toronto ON M5H 3W5 | From:<br>Union WorldInvest Limited<br><br>To:<br>New Star Institutional Managers Limited | Nov 01/01 |

| | | | |
|---|---|---|---|
| Change of Name | Attention: Leon George Raubenheimer<br>Zed Financial Partners<br>330 Bay Street<br>Suite 510<br>Toronto ON M5H 2S8 | From:<br>Z Capital Group<br><br>To:<br>Zed Financial Partners | Jun 05/02 |
| Change in Category<br>(Categories) | Attention: John Michael Anthony Richardson<br>Absolute Private Counsel Limited<br>65 Queen Street West<br>Suite 501<br>Toronto ON M5H 2M5 | From:<br>Investment Counsel & Portfolio Manager<br><br>To:<br>Limited Market Dealer<br>Investment Counsel & Portfolio Manager | Apr 22/02 |
| LISTED IN ERROR<br>Change in Category<br>(Categories) | B.E.S.T. Investment Counsel Limited<br>Attention: John Michael Anthony Richardson<br>65 Queen Street West<br>Suite 501<br>Toronto ON M5H 2M5 | From:<br>Investment Counsel & Portfolio Manager<br><br>To:<br>Limited Market Dealer<br>Investment Counsel & Portfolio Manager | |

# Chapter 13

# SRO Notices and Disciplinary Proceedings

### 13.1.1 Notice of OSC Approval of Proposed IDA Regulation 100.21, Maximum Margin Required for Convertible Securities

**PROPOSED IDA REGULATION 100.21, MAXIMUM MARGIN REQUIRED FOR CONVERTIBLE SECURITIES**

**NOTICE OF COMMISSION APPROVAL**

Proposed IDA Regulation 100.21 regarding Maximum Margin Required for Convertible Securities have been approved by the Ontario Securities Commission. In addition, the Saskatchewan Securities Commission approved, the Alberta Securities Commission did not disapprove and the British Columbia Securities Commission did not object to these amendments. Specifically, the proposed regulation limits the capital and margin required for a convertible security. The proposal recognizes that the maximum market risk for a convertible security should be closely related to the market risk of the underlying security, and thus, its capital and margin requirement should also closely correspond to those of the underlying security. A copy and description of the amendments were published on February 1, 2002 at (2002) 25 OSCB 750. No comments were received.

### 13.1.2 Discipline Penalties Imposed on Joseph Zenon Lafleur – Violation of By-law 29.1

*Contact*:
Belle Kaura
Enforcement Counsel
(416) 943-5878

**BULLETIN #3002**
May 27, 2002

**DISCIPLINE**

DISCIPLINE PENALTIES IMPOSED ON JOSEPH ZENON LAFLEUR
– VIOLATION OF BY-LAW 29.1

**Person Disciplined**

The Ontario District Council of the Investment Dealers Association of Canada has imposed discipline penalties on Joseph Zenon Lafleur ("Lafleur"), at the relevant time a Branch Manager and Registered Representative, Options with TD Securities Inc.

**By-laws, Regulations, Policies Violated**

On May 2, 2002, the District Council reviewed and accepted a Settlement Agreement negotiated with the Association's Enforcement Department Staff..

The District Council emphasized that the integrity of supervisors is critical to the securities industry system. Supervisors must be held to an appropriate standard of care and supervision required in the performance of their duties. The District Council takes a very serious view of failure by a supervisor in his/her basic duty to report errors.

The District Council found that the concealment of the trading error by Lafleur for a period of five months amounted to very serious misconduct.

The approval by the District Council of the Settlement Agreement and the corresponding discipline penalties imposed therein took into account all of the facts and circumstances of this particular case. The approval of the Settlement Agreement should in no way be seen as an indication that supervisors and registered representatives are subject to the same levels of duties and penalties. In fact, the District Council expressed concern that the proposed penalties would not serve to send the message of deterrence to supervisors and the investment community warranted the circumstances involving a supervisor. The standard of care and supervision required of a supervisor is greater than that of a registered representative and the level of penalties imposed in disciplinary will reflect this.

In approving the Settlement Agreement, the District Council recognized that: (i) Lafleur had no previous disciplinary record with the IDA; (ii) he had not been in the securities industry for a period of two years; (iii) and had cooperated fully with the IDA investigation and made a full admission of his conduct to TD Securities Inc. and the IDA.

In the Settlement Agreement, Lafleur acknowledged that he:

(i) engaged in a business conduct or practice that is unbecoming or detrimental to the public interest, contrary to By-law 29.1 and Standard B of the Conduct and Practices Handbook Course by failing to report a trading error and related client complaint to TD Securities Inc. for a period of five months;

(ii) engaged in a business conduct or practice that is unbecoming or detrimental to the public interest, contrary to By-law 29.1 and Standard C of the Conduct and Practices Handbook Course by soliciting financial assistance from a client.

**Penalty Assessed**

The discipline penalties assessed against Lafleur, in the Settlement Agreement, are:

(i) suspension from receiving approval from acting in a supervisory capacity with any Member of the Association for a period of seven years commencing August 8, 2000.

(ii) as a condition of re-approval in any capacity with a Member of the Association, close supervision for a period of twelve (12) months following re-approval and the filing of monthly close supervision reports for a period of twelve (12) months; and

(iii) as a condition of re-approval in any capacity with a Member of the Association, re-writing and passing the Conduct and Practices Handbook Course for Securities Industry Professionals, administered by the Canadian Securities Institute; and

(iv) a fine in the amount of $15,000, payable to the Association within one (1) year of the effective date of this Settlement Agreement; and

(v) costs in the amount of $3,000, payable to the Association within one (1) year of the effective date of this Settlement Agreement.

**Summary of Facts**

At all relevant times, Joseph Zenon Lafleur, was employed as a Branch Manager and Registered Representative for Options with TD Securities Inc.

The sanctions levied against Lafleur arose from his conduct in:

(i) failing to report and correct a trading error on a timely basis;

(ii) failing to report a client complaint related to the trading error on a timely basis; and

(iii) soliciting financial assistance from an unrelated client to facilitate correction of the trading error without disclosure to the firm.

In March 2000, a client placed a sell order for 5,000 shares, a purchase order was entered by Lafleur in lieu of a sell order. Lafleur promised the client personal repayment of the losses suffered. Lafleur solicited financial assistance from another client to conceal the trading error from the Member Firm. In August 2000, five months after the trading error occurred, the client advised the Member Firm of the unresolved trading error. The client was compensated for the trading loss by the Member Firm.

Kenneth A. Nason
*Association Secretary*

### 13.1.3 IDA Disciplinary Hearing - Dimitrios Boulieris

**FOR IMMEDIATE RELEASE**

**NOTICE TO PUBLIC: DISCIPLINARY HEARING**

**IN THE MATTER OF DIMITRIOS BOULIERIS**

**June 7, 2002 (Toronto, Ontario)** – The Investment Dealers Association of Canada announced today that a hearing date has been set before a panel of the Ontario District Council of the Association in respect of matters for which Dimitrios Boulieris may be disciplined by the Association.

The hearing relates to allegations that while a Registered Representative at First Delta Securities Inc., Mr. Boulieris has engaged in a business or practice that is unbecoming or detrimental to the public interest, contrary to By-Law 29.1, by:

- Knowingly acting as an agent or facilitator for a company engaged in soliciting for the purpose of selling securities while not registered to do so with the Ontario Securities Commission;
- Trading for a client who had advised Mr. Boulieris that he was attempting to manipulate the market price of a security;
- Divulging confidential information regarding Mr. Boulieris' employer, a Member of the Association, without the Member's consent; and
- Failing to disclose to his employer that he was the beneficial owner or had a beneficial interest in one of his client accounts.

Mr. Boulieris is also alleged to have violated Regulation 1300.1(a) and (b) by failing to exercise due diligence and a reasonable standard of care in learning the essential facts relevant to certain non-resident clients and their accounts, and accepting orders for those accounts which were not within the bounds of good business practice.

The hearing is scheduled to commence at 10:00 a.m. on June 17 – 21, 2002, at the offices of the Investment Dealers Association of Canada, located at 121 King Street West, Suite 1600, in Toronto, Ontario. The hearing is open to the public except as may be required for the protection of confidential matters. Copies of the Decision of the District Council will be made available.

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association's role is to foster fair, efficient and competitive capital markets by encouraging participation in the savings and investment process and by ensuring the integrity of the marketplace. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms. Investigating complaints and disciplining Members are part of the IDA's regulatory role.

*For further information, please contact:*

Alex Popovic
Vice President, Enforcement
(416) 943-6904 or apopovic@ida.ca

Jeff Kehoe
Director, Enforcement Litigation
(416) 943-6996 or jkehoe@ida.ca

### 13.1.4 TSX Sets Hearing Date In the Matter of Research Capital Corporation to Consider an Offer of Settlement

**NOTICE TO PUBLIC**

**THE TORONTO STOCK EXCHANGE**
**SETS HEARING DATE**
**IN THE MATTER OF**
**RESEARCH CAPITALCORPORATION**
**TO CONSIDER AN OFFER OF SETTLEMENT**

The Toronto Stock Exchange (the "Exchange") will convene a Hearing before a Panel of the Hearing Committee (the "Hearing Panel") of the Exchange to consider an Offer of Settlement entered into between the Exchange and Research Capital Corporation ("Research Capital"), a Participating Organization of the Exchange.

Under the terms of the Offer of Settlement, Research Capital admits that it committed the following violation:

> Between November 23, 1998 and March 4, 1999, Research failed to keep proper records, contrary to Section 16.03 of the General By-law of the Exchange.

According to Rule 6.03 of the Rules Governing the Practice and Procedure of Hearings, the Hearing Panel may accept or reject an Offer of Settlement. In the event the Offer of Settlement is accepted, the matter becomes final and there can be no appeal of the matter. In the event the Offer of Settlement is rejected, the Exchange may proceed with a hearing of the matter before a differently constituted Hearing Panel.

The Hearing will be held on June 19, 2002 commencing at 9:30 a.m., or as soon thereafter as the Hearing can be held, at the offices of Market Regulation Services Inc., 145 King Street West, 9th 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 the Exchange in a Notice to Participating Organizations.

**Reference:** Jane P. Ratchford
Chief Counsel
Investigations and Enforcement
Market Regulation Services Inc.

Telephone: 416-646-7229

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# Chapter 25

# Other Information

## 25.1 Consents

### 25.1.1 SouthernEra Resources Limited - ss. 4(b) of Reg. 289/00

**Headnote**

Consent given to an OBCA Corporation to continue under the laws of Canada.

**Statutes Cited**

Business Corporations Act, R.S.O. 1990, c. B16, as am., 181.
Canada Business Corporations Act, R.S.C. 1985, c. C-44, as am.

**Regulations Cited**

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, ss. 4(b).

**IN THE MATTER OF**
**ONT. REG. 289/00 (THE "REGULATION")**
**MADE UNDER THE BUSINESS CORPORATION ACT**
**R.S.O. 1990 C. B16 (THE "OBCA")**

**AND**

**IN THE MATTER OF**
**SOUTHERNERA RESOURCES LIMITED**

**CONSENT**
**(Subsection 4(b) of the Regulation)**

**UPON** the application of SouthernEra Resources Limited ("SouthernEra") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission for SouthernEra to continue in another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

**AND UPON** SouthernEra having represented to the Commission that:

1. SouthernEra is proposing to submit an application to the Director under the *Business Corporations Act* (Ontario) (the "OBCA") pursuant to section 181 of the OBCA (the "Application for Continuance") for authorization to continue as a corporation under the *Canada Business Corporations Act* (the "CBCA").

2. Pursuant to subsection 4(b) of the Registration, where a corporation is an offering corporation, the Application for Continuance must by accompanied by a consent from the Commission.

3. SouthernEra was incorporated under the provisions of the OBCA on April 24, 1987. The head office of SouthernEra is located at 111 Richmond Street West, Suite 1002, Toronto, Ontario.

4. The authorized share capital of SouthernEra is comprised of an unlimited number of common shares, of which 44,750,300 were issued and outstanding as of May 31, 2002. SouthernEra common shares are listed for trading on the Toronto Stock Exchange.

5. SouthernEra is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act*, R.S.O. 1990, c. s. 5, as amended (the "Act"). SouthernEra is also a reporting issuer under the securities legislation of each of the provinces of British Columbia, Alberta and Manitoba. SouthernEra intends to remain a reporting issuer in Ontario and in the other jurisdictions where it is a reporting issuer.

6. SouthernEra is not in default under any provision of the Act or the regulations of the Act, nor under the securities legislation of any other jurisdiction where it is a reporting issuer.

7. SouthernEra is not a party to any proceeding nor, to the best of its knowledge, information and belief, any pending proceeding under the Act.

8. The Application for Continuance of SouthernEra is to be approved by the shareholders of SouthernEra by special resolution at the Annual and Special Meeting of shareholders (the "Meeting") to be held on June 6, 2002.

9. Pursuant to the Section 185 of the OBCA, all shareholders of record as of the record date for the Meeting are entitled to dissent rights with respect to the Application for Continuance (the "Dissent Rights").

10. The management information circular dated April 17, 2002 provided to all shareholders in connection with the Meeting, advised the holders of common shares of SouthernEra of their Dissent Rights.

11. The principal reason for the Application for Continuance is to enable SouthernEra to benefit from recent amendments to the CBCA which, among other things, reduce the number of directors of a corporation organized under that statute who must be resident Canadians from a majority of directors to at least 25%. Due to the international nature of SouthernEra's business, it is in the interests of SouthernEra to be able to elect or appoint directors and to conduct its affairs in accordance with the CBCA.

12. Other than the difference in director residency requirements, the material rights, duties and obligations of a corporation governed by the CBCA are substantially similar to those of a corporation governed by the OBCA.

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

**THE COMMISSION HEREBY CONSENTS** to the continuance of SouthernEra as a corporation under the *Canada Buisness Corporation Act.*

June 4, 2002.

"Paul M. Moore" "Robert W. Korthals"

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